



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Government Accountability, Oversight and Financial Performance Committee

Councilmembers: *Bob Ferguson, Chair; Pete von Reichbauer, Vice Chair;
Larry Gossett, Kathy Lambert*

Staff: *Pat Hamacher, Lead Staff (206-296-1642)
Joanne Rasmussen, Committee Assistant (206-296-0333)*

9:30 AM

Tuesday, June 26, 2012

Room 1001

Pursuant to K.C.C. 1.24.035 A. and F., this Government Accountability, Oversight and Financial Performance Committee meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**

2. **Roll Call**

3. **Approval of Minutes**

June 6, 2012 Special Meeting

To show a PDF of the written materials for an agenda item, click on the agenda item below.

Discussion and Possible Action

4. [Proposed Motion No. 2012-0174](#) pp 7-42

A MOTION accepting a report on the feasibility of establishing a veterans justice outreach coordinator position in the mental health, chemical abuse and dependency services division of the department of community and human services, in compliance with Ordinance 17232.

Sponsors: Mr. Ferguson

Kelli Carroll, Council Staff



Sign language and communication material in alternate formats can be arranged given sufficient notice (206-1000).

TDD Number 206-1024.

ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.



5. [Proposed Ordinance No. 2012-0198](#) pp 43-160

AN ORDINANCE relating to the provision of regional animal services, authorizing the executive to enter into an interlocal agreement, Enhanced Control Services Contract and Licensing Support Contract with cities and towns in King County for the provision of regional animal services.

Sponsors: Ms. Hague and Ms. Patterson

Mike Alvine, Council Staff

Briefing

6. [Briefing No. 2012-B0110](#) pp 161-184

Brightwater - Review of 2012 Trend Report

Tina Rogers, Capital Project Oversight Manager, King County Auditor's Office
Art Griffith, Senior Project Manager, SAIC Energy, Environment & Infrastructure, LLC

7. [Briefing No. 2012-B0081](#) pp 185-199

Pretrial Risk Assessment Quarterly Report

Polly St. John, Council Staff

Other Business

Adjournment



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Minutes

Government Accountability, Oversight and Financial Performance Committee

Councilmembers: *Bob Ferguson, Chair; Pete von Reichbauer,
Vice Chair;
Larry Gossett, Kathy Lambert*

Staff: *Pat Hamacher, Lead Staff (206-296-1642)
Joanne Rasmussen, Committee Assistant (206-296-0333)*

1:30 PM

Wednesday, June 6, 2012

Room 1001

SPECIAL MEETING

Pursuant to K.C.C. 1.24.035 A. and F., this Government Accountability, Oversight and Financial Performance Committee meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**

Chair Ferguson called the meeting to order at 1:30 p.m.

2. **Roll Call**

Present: 4 - Mr. Ferguson, Mr. von Reichbauer, Mr. Gossett and Ms. Lambert

3. **Approval of Minutes**

Councilmember Gossett moved approval of the May 8, 2012 meeting minutes. The motion was approved.

Discussion and Possible Action

4. **Proposed Ordinance No. 2012-0179**

AN ORDINANCE approving and adopting the collective bargaining agreement negotiated by and between King County and Public Safety Employees Union (King County Civic Television) representing employees in the legislative branch of King County; and establishing the effective date of said agreement.

Sponsors: Mr. Phillips and Mr. McDermott

Nick Wagner, Council Staff, briefed the committee and answered questions from the members. Ron Sprague, Labor Negotiator, King County Office of Labor Relations, answered questions from the members. The Ordinance passed subject to signature. This item was expedited to the June 11, 2012 King County Council agenda.

A motion was made by Councilmember Ferguson that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 3 - Mr. Ferguson, Mr. von Reichbauer and Mr. Gossett

Excused: 1 - Ms. Lambert

5. Proposed Ordinance No. 2012-0119

AN ORDINANCE relating to the King County Code; and amending Ordinance 13880, Section 19, and K.C.C. 1.03.040, Ordinance 13880, Section 20, and K.C.C. 1.03.050, Ordinance 13880, Section 25, and K.C.C. 1.03.100, Ordinance 14199, Section 11, as amended, and K.C.C. 2.16.035 and repealing Ordinance 5962, Section 2, as amended, and K.C.C. 2.12.080.

Sponsors: Mr. Gossett

Pat Hamacher, Council Staff, briefed the committee and answered questions from the members. Councilmember Gossett moved Amendment 1. Amendment 1 passed. Councilmember Gossett moved Title Amendment 1. Title Amendment 1 passed.

A motion was made by Councilmember Gossett that this Ordinance be Recommended Do Pass Substitute. The motion carried by the following vote:

Yes: 3 - Mr. Ferguson, Mr. von Reichbauer and Mr. Gossett

Excused: 1 - Ms. Lambert

6. Proposed Ordinance No. 2012-0198

AN ORDINANCE relating to the provision of regional animal services, authorizing the executive to enter into an interlocal agreement, Enhanced Control Services Contract and Licensing Support Contract with cities and towns in King County for the provision of regional animal services.

Sponsors: Ms. Hague and Ms. Patterson

Mike Alvine, Council Staff, briefed the committee and answered questions from the members. Diane Carlson, Director of Regional Initiatives, Executive Office, offered remarks and answered questions from the members. Norm Alberg, Acting Director, Records and Licensing Services introduced Gene Mueller, new Regional Animal Services Manager. Mr. Mueller offered remarks.

This matter was Deferred

7. Proposed Ordinance No. 2012-0176

AN ORDINANCE relating to providing first responders and essential employees, who must work extended hours during certain unanticipated events which are critical to or in response to a regulatory requirement, with lodging and meals; and amending Ordinance 9206, Section 1, as amended, and K.C.C. 3.24.010, Ordinance 9206, Section 7, as amended, and K.C.C. 3.24.070 and Ordinance 12077, Section 9, as amended, and K.C.C. 3.24.080.

Sponsors: Mr. Ferguson

Erik Sund, Council Staff, briefed the committee and answered questions from the members. Kerry Delaney Sickle, Assistant Operations Manager, Human Resources Division, answered questions from the members. The Ordinance passed subject to signature.

A motion was made by Councilmember Ferguson that this Ordinance be Recommended Do Pass. The motion carried by the following vote:

Yes: 3 - Mr. Ferguson, Mr. von Reichbauer and Mr. Gossett

Excused: 1 - Ms. Lambert

8. Proposed Motion No. 2012-0183

A MOTION accepting the executive response to the 2012 Budget Ordinance, Ordinance 17232, Section 20, Proviso P3, Section 28, Proviso P1, and Section 121, Proviso P2, departments of executive services and transportation in compliance with Ordinance 17232; and authorizing the release of \$50,000 for office of performance strategy and budget; authorizing the release of \$150,000 for real estate services and; authorizing the release of \$100,000 for roads, all which are currently held in reserve.

Sponsors: Mr. Ferguson

John Resha, Council Staff, briefed the committee and answered questions from the members.

A motion was made by Councilmember Gossett that this Motion be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 3 - Mr. Ferguson, Mr. von Reichbauer and Mr. Gossett

Excused: 1 - Ms. Lambert

Adjournment

The meeting was adjourned at 2:28 p.m.

Approved this _____ day of _____.

Clerk's Signature

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King County

Government Accountability, Oversight and Financial Performance Committee

STAFF REPORT

Agenda Item:	4	Name:	Kelli Carroll
Proposed No.:	2012-0174	Date:	June 26, 2012
Invited:	Andrea LaFazia, Mental Illness and Drug Dependency Project Manager, King County Department of Community and Human Services		

SUBJECT

A MOTION accepting a report on the feasibility of establishing a veterans justice outreach coordinator position in the mental health, chemical abuse and dependency services division of the department of community and human services, in compliance with Ordinance 17232.

SUMMARY

The 2012 Adopted budget restricts \$25,000 of Veterans and Family Levy funds until the Executive transmits a report and motion on the feasibility of establishing a Veterans Justice Outreach (VJO) Coordinator position in the Mental Health, Chemical Abuse and Dependency Services Division of the Department of Community and Human Services.

Proposed Motion 2012-0174 acknowledges the Council's receipt of the report and fulfillment of the expenditure restriction. Attached to the motion is the required feasibility report.

BACKGROUND

Veterans in Need

Veterans have higher incarceration rates, substance abuse and mental illness rates than the US population as a whole. Studies find that:

- Veterans comprise about 7.5 percent of the country's population, but about 15 percent of the incarcerated populations are veterans¹.
- Nationally, 20 percent of veterans report symptoms of a mental health disorders.
- Another recent study found that among veterans diagnosed with one of six mental disorders, 21-35 percent had substance abuse disorders as well².

¹ http://www.census.gov/compendia/statab/cats/national_security_veterans_affairs/veterans.html

- US Department of Justice data found that 61 percent of incarcerated veterans met the DSM-IV criteria for substance dependence or abuse³.
- Veterans are disproportionately represented in the homeless population, with various study data identifying between 46-23 percent of the homeless as veterans⁴.
- Higher rates of Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI). The conflicts in Iraq and Afghanistan have resulted in increased numbers of Veterans who have experienced traumatic brain injuries (TBI). The Department of Defense and the Defense and Veteran's Brain Injury Center estimate that 22 percent of all combat casualties from these conflicts are brain injuries, compared to 12 percent of Vietnam related combat casualties. PTSD and TBI often co-occur with mental health problems, such as depression, substance abuse, and TBI⁵.

Homelessness, mental illness, substance abuse, PTSD, and TBI can often lead veterans into increased and frequent interactions with the justice system.

Increased Awareness and Resources

Over the last several years there has been increased local and national attention generated as more data and studies are released related to veterans and veteran issues. Consequently, additional resources are allocated to address veteran issues. Locally, following the successful 2006-2011 Veterans and Human Services Levy, King County voters reauthorized the second Veterans and Human Services Levy (VHSL) in August of 2011. The levy funds enable King County to continue provide critical services to veterans and their families in need through 2017. The reauthorized VHSL expands funding for and services to justice involved veterans.

The Federal government has also increased resources and attention to the needs of veterans, particularly veterans involved with the justice system. In 2009, the US Department of Veterans Affairs (USDVA) launched its Veterans Justice Outreach Initiative. The purpose of the USDVA Veterans Justice Outreach program is to provide services to justice system involved veterans, and to avoid the unnecessary criminalization of mental illness, substance abuse, and extended incarcerations among veterans.

Veterans Services and Programs in King County

King County's commitment to veterans is growing each year. The County offers a number of programs and services aimed at veterans and their families, including:

² Ismene L. Petrakis, Robert Rosenheck, Rani Desai. *Substance Use Comorbidity among Veterans with Posttraumatic Stress Disorder and Other Psychiatric Illness*. The American Journal on Addictions, 2011; 20 (3): 185 DOI: 10.1111/j.1521-0391.2011.00126.x

³ United States Department of Justice, Bureau of Justice Statistics, "Veterans in State and Federal Prison, 2004" (2007)

⁴ United States Department of Housing and Urban Development, "Veteran Homelessness: A Supplemental Report to the 2009 Annual Homeless Assessment Report to Congress" (2009)

⁵ United States Department of Veterans Affairs, National Center for PTSD (2012)

- *The King County Veterans Program (KCVF)* has been operating since the 1950s, serving low-income, homeless, disabled, and at-risk veterans and their families. The KCVF is mandated by Washington State law RCW 73.08.010 and is funded by King County taxpayers via a property tax “millage” (.67 percent of the regular property tax levy). The VHSL increased the KCVFs capacity to serve veterans, military personnel and their families.
- *Veterans Incarcerated Project* is joint project between the KCVF and the Washington State Department of Veterans Affairs where project staff members work to address the needs of eligible veterans incarcerated in the King County Correctional Facility and other local jails. This program offers alternatives to jail and referral to housing, employment services, and treatment. Since the program was established in 1996, it has resulted in thousands of early release days, saved taxpayer dollars, and lowered the recidivism rate for veterans.
- *Veterans Treatment Courts* in District and Superior Courts are expanding specialized courts to veterans who could benefit from a therapeutic approach to adjudicating cases. Veterans’ treatment courts utilize treatment and benefits provided by the Veterans Administration and are specially designed to help address the unique needs of veteran military service members.
- *Veterans and Human Services Levy* will fund over \$47 million in veterans programs and services over six years, 2012-2017. VHSL veteran supported activities include:
 - Homeless veteran outreach
 - Veterans employment and training
 - PTSD and military sexual trauma treatment
 - Veterans justice programs-veterans court, veterans legal assistance, and emerging veterans programs (which includes funding for the veterans justice outreach coordinator position, if approved)

King County Veterans Justice Outreach Coordinator Expenditure Restriction

Through 2011 and culminating in the 2012 budget review process, the Council recognized that King County was in need of system wide coordination for veterans’ justice issues. Given the growing number of veterans’ justice programs in King County, the creation of the Federal VJO, and expanded funding and focus on veterans’ justice issues in the reauthorized VHSL, the Council called upon the Executive to study and report on the feasibility of establishing a VJO coordinator in King County. King County Ordinance 17232, Section 69, Veterans and Family Levy, states:

Of this appropriation, \$25,000 shall not be expended or encumbered until the executive transmits a report and motion that acknowledges receipt of the report that references the proviso’s ordinance, section and number and the motion is adopted by the council. The report shall be on the feasibility of establishing a veterans justice outreach coordinator position in the mental health, chemical abuse and dependency services division of the department of community and human services to implement a veterans justice initiative for King County. The report shall include, but not be limited to: 1) the review and recommendation for the veterans justice outreach coordinator position by the veterans levy

citizen oversight board; 2) how the position would facilitate greater collaboration on veteran's issues and veteran's programs among King County departments and agencies; 3) how the position would collaborate with the veterans justice outreach coordinator; and 4) recommendations on the potential funding sources for the position.

ANALYSIS

Analysis of the VJO Report

The VJO report that is attachment A to the Proposed Motion outlines the need for a veterans' justice outreach coordinator position in King County. The report includes data on incarcerated veterans, and points to the nexus between veterans coming into contact with the justice system and unmet service needs of veterans across multiple domains, including mental health, substance abuse, homelessness, employment, PTSD and TBI.

The report further notes how introducing and incorporating veterans justice components into the unmet service needs of veterans would more effectively address veterans' barriers and help stabilize and support veterans as they participate in services geared toward their specific needs. In addition, coordinated veterans justice programs will:

- maximize access to DVA benefits by justice-involved veterans
- minimize the use of state and locally funded programs
- build a trained cadre of staff experts around veterans issues and needs including TBI/PTSD and other issues unique to veterans,
- create a community of veterans to foster a sense of camaraderie among its participants,
- position King County to more competitively compete for federal grant funding
- increase recognition regarding the service of veterans to the country and our community

1. Review and Recommendation by the VHSL Citizen Oversight Board-The expenditure restriction explicitly called for review and recommendation of the VJO position by the VHSL Board. The Board received a briefing on the position and the Veterans Justice Initiative in February. The Board approved the recommended VJO position at its March meeting. The VJO position concept was reviewed and approved by the Veterans Citizen Levy Oversight Board through the review and approval of the Implementation Plan. A letter from the levy board chair and co-chair was provided to affirm their support for the VJO Coordinator position and Veterans Justice Initiative.

2. Facilitating Collaboration on Veterans Issues-If approved, the VJO position would reside within the Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD) of the Department of Community and Human Services. It would coordinate the County's Veterans Justice Initiative (VJI), including monitoring contracts for and providing support to Veterans Court.

MHCADSD oversees the Criminal Justice Initiatives (CJI) which includes a cadre of programs and services for the criminal justice offender involved in mental health or

chemical dependency treatment or the therapeutic courts. The Veterans Justice Initiative would also reside in MHCADS, working in collaboration with the CJI. Specifically, the VJO Coordinator will monitor contracts, provide technical assistance associated with the veterans incarcerated project and the veterans courts liaison project, host and facilitate quarterly veterans justice collaboration meetings, participate in the CIT trainings for law enforcement and other first responders, train community human service providers and King County departments on justice-involved veterans issues, and be a resource for the community on justice-involved veterans issues.

3. Collaboration with Federal Veterans Justice Outreach Coordinator-MHCADSD has worked closely with its federal partner on the development of the King County VJI. The federal VJO currently jointly facilitates, with MHCADSD, a monthly justice-involved veteran's stakeholder meeting. The County's VJO Coordinator would continue to develop and expand the partnership, working collaboratively across disciplines to better respond to veterans needs in King County.

4. Recommendations on Potential Funding-The report recommends funding of the VJO by the Veterans and Human Services Levy, specifically, through VHSL Activity 1.5.C Emerging Programs for Justice involved Veterans. The VHSL Service Improvement Plan defines this activity as: "...supports programs related to justice involved veterans, with the primary use of these funds supporting King County's Veterans Treatment Court. Funds may also be used for existing or new service models or additional outreach or prevention programs." As noted above, the VJO position will provide support for and monitoring of the Veterans Court activities and contracts. The creation of the VJO Coordinator position falls within Activity 1.5.C of the VHSL and would be a reasonable expenditure of VHSL funds in alignment with the approved VHSL Service Improvement Plan.

One issue raised by the information provided in the Executive's VJO report is that King County inconsistently collects veteran status in the jails. The report states,

National statistics show that about 15 percent of people who are incarcerated are veterans, while King County statistics only recognize that about two percent of people who are incarcerated have served in the military, due to inconsistent policies and procedures for screening for veteran status among those who have been booked into a jail in King County. (pg. 3)

Staff follow up on the issue of collection of veteran status in the jail highlighted several issues that prevent consistent collection of veteran status in the jail, including: limits of the antiquated jail information system, lack of a systemic, coordinated effort to identify when, where, how and who in the jail should inquire about veteran status, and the fear of veterans who are booked into the jail that disclosure of veteran status could result in the loss of benefits. The report states that a task of the VJO Coordinator will be to collect military status data at the prosecutorial, public defense, and court level in order to provide a better overall picture of how many veterans are being seen in the King County justice system overall.

Conclusion

The conclusion of the feasibility report is that “adding the VJO Coordinator position to the MHCADSD will ensure direct coordination and linkage of veteran justice systems programming in King County.” The report speaks to the necessity of the VJO Coordinator below

The King County VJO Initiative involves a much needed coordination role to bring together the local justice system components, veteran services system components (governmental and community-based providers) and community-based services for veterans throughout King County. There are multiple justice partners, three governmental levels, and multiple community-based providers serving veterans involved in the criminal justice system. It is complicated for our partners to know each other and even more difficult for our veterans to navigate across these multiple service providers and justice systems, which is why this coordinator role is so critical.

The conclusion of the report is that the VJO position is needed, funding exists for the position, and the Board has approved the utilization of funds for the position.

Proposed Motion 2012-0174 would accept the Executive’s report on the feasibility of establishing a Veterans Justice Outreach Coordinator position in King County. It appears that the Executive and MHCADSD have met the requirements of the expenditure restriction. The motion is ready for action by the Committee.

ATTACHMENTS

1. Proposed Motion 2012-0174 and attachment
2. Transmittal letter



KING COUNTY

Attachment 1

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

June 25, 2012

Motion

Proposed No. 2012-0174.1

Sponsors Ferguson

1 A MOTION accepting a report on the feasibility of
2 establishing a veterans justice outreach coordinator position
3 in the mental health, chemical abuse and dependency
4 services division of the department of community and
5 human services, in compliance with Ordinance 17232.

6 WHEREAS, Ordinance 17232, Section 69, veterans and family levy fund, Proviso
7 P1, requires that the executive must transmit the report and motion required on or before
8 April 26, 2012, and

9 WHEREAS, the report shall include, but not be limited to: 1) the review and
10 recommendation for the veterans justice outreach coordinator position by the veterans
11 citizen levy oversight board; 2) how the position would facilitate greater collaboration on
12 veteran's issues and veteran's programs among King County departments and agencies;
13 3) how the position would collaborate with the federal veterans justice outreach
14 coordinator; and 4) recommendations on the potential funding sources for the position,
15 and

16 WHEREAS, the executive must transmit to the council the report and motion
17 required by this proviso by April 26, 2012, filed in the form of a paper original and an
18 electronic copy with the clerk of the council, who shall retain the original and provide an

19 electronic copy to all councilmembers, the council chief of staff and the lead staff for the
20 law, justice, health and human services committee or its successor;

21 NOW, THEREFORE, BE IT MOVED by the Council of King County:

22 Feasibility of establishing a veterans justice outreach coordinator position report ,
23 Attachment A to this motion, is hereby accepted.

24

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, ____.

Dow Constantine, County Executive

Attachments: A. Veterans Justice Outreach Coordinator Proviso Report



King County

Attachment A: Veterans Justice Outreach Coordinator Proviso Report

**Department of Community and Human Services
Mental Health, Chemical Abuse and Dependency Services Division**

March 2012

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Background

In 2009, the United States Department of Veterans Affairs (U.S. DVA) launched the Veterans Justice Outreach (VJO) Initiative; the overarching goal is to provide outreach to veterans in contact with law enforcement, jails, and courts. The purpose of the federal VJO Initiative is to avoid the unnecessary criminalization of mental illness, substance abuse, and extended incarceration among veterans by ensuring that eligible justice-involved veterans have timely access to DVA Veterans Health Administration, health care, including mental health and substance use disorder services when clinically indicated, and other DVA services and benefits as appropriate.

In 2010, King County stakeholders initiated meetings to discuss the federal VJO Initiative and how King County could maximize the federal initiative in King County. These meetings included representatives from many criminal justice partners in King County, including: King County Office of the Prosecuting Attorney, King County Office of Public Defense, public defense agencies, King County District Court, King County Superior Court, King County Council staff, private defense attorneys, community service providers, Washington State Department of Veterans Affairs, U.S. DVA, and the King County Department of Community and Human Services (DCHS). The DCHS staff facilitated and staffed the meetings.

Need

Veterans are a growing segment of the population, comprising about 7.5 percent of the population of the United States. King County has a large population of veterans due to the location of the U.S. Veterans Affairs Health Care System facility in Seattle, and the nearness of both Joint Base Lewis-McChord and the Puget Sound Naval Shipyard. There are currently 143,000 veterans in King County. Nationally, 20 percent of veterans report symptoms of a mental health disorder, while substance abuse disorders have been found to affect 1.8 million veterans. A disproportionate number of individuals who have served in the military are found in the adult homeless population (33 percent). Symptoms of Post Traumatic Stress Disorder (PTSD) have been found to affect 17 percent of active duty Army personnel and 25 percent of Army reservists three to six months after they have returned home. Additionally, traumatic brain injuries (TBI) account for 22 percent of all combat casualties from the Iraq and Afghanistan conflicts.

Traumatic Brain Injury (TBI) and Post Traumatic Stress Disorder (PTSD)

The following definitions of TBI and PTSD are from the U.S. DVA fact sheet.¹

TBI: If the head is hit or violently shaken (such as from a blast or explosion), a concussion or closed head injury can result. Concussion is seldom life threatening, so doctors often use the term “mild” when the person is only dazed or confused or loses consciousness for a short time. However, concussion can result in serious symptoms.

¹ U.S. Department of Veterans Affairs, Quick Facts, Traumatic Brain Injury and Post Traumatic Stress Disorder, April 23, 2007, VO7-1.

People who survive multiple concussions may have more serious problems. People who have had a concussion may say that they are fine, although their behavior or personality has changed. Common symptoms of brain injury include the following: difficulty organizing daily tasks; blurred vision or eyes tire easily; headaches or ringing in the ears; feeling sad, anxious, or listless; easily irritated or angered; feeling tired all the time; feeling light-headed or dizzy; trouble with memory, attention, or concentration; more sensitive to sounds, lights, or distractions; impaired decision making or problem solving; difficulty inhibiting behavior or impulsive; slowed thinking, moving, speaking or reading; easily confused, feeling easily overwhelmed; and change in sexual interest or behavior.

PTSD: A condition that develops after someone has experienced a life-threatening situation, such as combat. In PTSD, the event must have involved actual or threatened death or serious injury and caused an emotional reaction involving intense fear, hopelessness, or horror. People with PTSD have three kinds of experiences for weeks or months after the event is over, and the individual is in a safe environment.

1. Re-experience the event over and over again:

- You have repeated nightmares about the event.*
- You have vivid memories, almost like it was happening all over again.*
- You have a strong reaction when you encounter reminders, such as a car backfiring.*

2. Avoid people, places, or feelings that remind you of the event:

- You work hard at putting it out of your mind.*
- You feel numb and detached so you do not have to feel anything.*
- You avoid people or places that remind you of the event.*

3. Feel keyed up or on-edge all the time:

- You may startle easily.*
- You may be irritable or angry all the time for no apparent reason.*
- You are always looking around, hyper-vigilant of your surroundings.*
- You may have trouble relaxing or getting to sleep.*

Incarceration of Veterans

In 2007, 230,000 veterans were confined in local jails and federal prisons. National statistics show that about 15 percent of people who are incarcerated are veterans, while King County statistics only recognize that about two percent of people who are incarcerated have served in the military, due to inconsistent policies and procedures for screening for veteran status among those who have been booked into a jail in King County.

Veterans coming into contact with the criminal justice system have a number of unmet service needs across multiple domains, including behavioral health (mental health and/or co-occurring substance use), housing, and employment. By introducing and incorporating veteran justice programs, barriers to recovery can more effectively be addressed and resources can be put in place to help stabilize and support veterans as they participate in services geared toward their specific needs. These programs will work to maximize access to DVA benefits by justice-involved veterans and simultaneously minimize the use of state and locally funded programs, build a trained cadre of staff experts around veterans issues and needs including TBI/PTSD and other issues unique to veterans, create a community of veterans to foster a sense of camaraderie among its participants, position King County to more competitively compete for federal grant funding, and increase recognition regarding the service of veterans to the country and our community.

Table 1 shows the Department of Adult and Juvenile Detention (DAJD) data for military status collected for 2011.

Table 1: DAJD Data for Military Status Collected for 2011

	<i>Veteran Status</i>			Total	<i>Veteran Status</i>		
	Yes	No	Other*		Yes	No	Other
Jan-11	58	2,334	1,239	3,631	1.60%	64.28%	34.12%
Feb-11	60	1,936	962	2,958	2.03%	65.45%	32.52%
Mar-11	59	2,353	1,176	3,588	1.64%	65.58%	32.78%
Apr-11	76	2,171	984	3,231	2.35%	67.19%	30.45%
May-11	69	2,153	1,042	3,264	2.11%	65.96%	31.92%
Jun-11	77	2,250	1,125	3,452	2.23%	65.18%	32.59%
Jul-11	49	2,185	1,076	3,310	1.48%	66.01%	32.51%
Aug-11	65	2,224	1,020	3,309	1.96%	67.21%	30.83%
Sep-11	53	2,138	953	3,144	1.69%	68.00%	30.31%
Oct-11	76	1,913	976	2,965	2.56%	64.52%	32.92%
Nov-11	72	1,712	771	2,555	2.82%	67.01%	30.18%
Dec-11	59	1,834	789	2,682	2.20%	68.38%	29.42%
Total	773	25,203	12,113	38,089	2.03%	66.17%	31.80%

*“Other” column represents those individuals who were booked into a King County jail, but for whom DAJD was not able to collect military status; this represents about 33 percent of all individuals booked. This data was received from DAJD analytical and was run on January 30, 2012.

Collecting military status data at the prosecutorial, public defense, and court level will provide a better overall picture of how many veterans are being seen in our King County justice system overall, as data can be collected on those individuals not booked into a County jail facility and those not in custody for a long enough period of time for military status to be assessed. This will be a task of the VJO Coordinator to implement system wide.

An academic study of 128 veterans incarcerated in King County between April 1998 and June 1999 provides some insights into justice-involved veterans and suggests a potential correlation between PTSD and incarceration. The study screened participants for PTSD, drug and alcohol usage, and patterns of incarceration. The study sample was small and results preliminary, but study authors reported that 87 percent of the veterans surveyed had traumatic experiences and 39 percent screened positive for PTSD. When compared with veterans who screened negative for PTSD, those who screened positive reported a greater variety of traumas; more serious current legal problems; a higher lifetime use of alcohol, cocaine, and heroin; higher recent expenditures on drugs; more psychiatric symptoms; and worse general health despite more previous psychiatric and medical treatment as well as treatment for substance abuse.²

The potential correlation between PTSD and behaviors which may lead to criminal involvement suggests that veterans of the current wars in Afghanistan and Iraq, who were not included in the 1998-1999 study, may someday have more propensities for criminal involvement than their predecessors. The new veterans are more likely than their predecessors to suffer from PTSD and TBI than the rest of the veteran population. Indeed, PTSD and TBI are emerging as the signature injuries of the current conflicts because the sophistication and effectiveness of modern medical treatment results in an increasing proportion of the Afghanistan and Iraq veterans surviving wounds that would have killed their predecessors, but they do so with higher rates of mental health trauma and brain injury. The U.S. Department of Defense and the Defense and Veterans Brain Injury Center estimate that 22 percent of all combat casualties from the conflicts in Iraq and Afghanistan are brain injuries, compared to 12 percent of Vietnam-related combat casualties.³

Local Veterans Justice Outreach Coordinator

A local Veterans Justice Outreach (VJO) Coordinator will be hired within the Department of Community and Human Services (DCHS), Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD). The MHCADSD oversees the Criminal Justice Initiatives, which includes development, management and oversight of offender justice-involved and therapeutic court programming. Adding the VJO Coordinator position to the MHCADSD will ensure direct coordination and linkage of veteran justice systems programming in King County. The VJO Coordinator responsibilities will include developing, implementing and managing the King County VJO Initiative, which includes monitoring and managing contracts associated with the VJO Initiative.

The VJO Initiative encompasses three broad areas: 1) veterans treatment courts in King County; 2) systems and services coordination; and 3) coordination with trainings about veterans and serving veterans. It will be the role of the local VJO Coordinator to coordinate, monitor, troubleshoot, and facilitate these three areas and provide a single County-level point of

² Saxon, A.J.; Davis, T.M. et al., (2001) *Trauma, Symptoms of Post Traumatic Stress Disorder, and Associated Problems Among Incarcerated Veterans*, Psychiatric Services, 52 (7), 959-964.

³ Summerall, E.L. (2007), *Report of (VA) Consensus Conference: Practice Recommendations for Treatment of Veterans with Comorbid TBI, Pain, and PTSD*, National Center for PTSD.

coordination for the intersection of veterans, justice system, and service systems for the veterans treatment courts, veterans-specific training, and community-based providers of treatment services. Bringing together the local justice system, including courts, jails, defense, prosecutor, and law enforcement with veterans governmental and community-based providers is a new area for King County that requires a good deal of coordination across these fragmented and complex systems. This role will function within the broader King County MHCADSD Criminal Justice Initiatives, where there has been an existing foundation for cross-system criminal justice and social services coordination and collaboration since 2002.

The three broad areas of responsibility of the VJO Coordinator are:

1. Veterans Treatment Courts in King County

The VJO Coordinator will provide administration and coordination of direct service contracts to provide a mental health professional Veterans Court Liaison to serve as the clinical gatekeeper to both the City of Seattle Veterans Treatment Court and the King County District Court Regional Mental Health Court, Veterans Treatment Court pilot (2012). Following the 2012 Veterans Treatment Court pilot in King County, the VJO Coordinator will assist with the implementation of the Regional Veterans Treatment Court.

2. Systems and Services Coordination

The King County VJO Initiative involves a much needed coordination role to bring together the local justice system components, veteran services system components (governmental and community-based providers) and community-based services for veterans throughout King County. There are multiple justice partners, three governmental levels, and multiple community-based providers serving veterans involved in the criminal justice system. It is complicated for our partners to know each other and even more difficult for our veterans to navigate across these multiple service providers and justice systems, which is why this coordinator role is so critical.

- a. Justice System Components

Courts (including the 39 municipalities, King County District Court and King County Superior Court), prosecutor's offices, public defense agencies, jail health and other in-custody medical/mental health providers inside jails, community corrections (including city and county Work and Education Release and Day Reporting programs), and Department of Corrections Community Supervision units/officers.

- b. Governmental Components

U.S. DVA, specifically the Federal VJO Coordinator, Veterans Health Administration and Veterans Benefits Administration; U.S. DVA Veterans Centers; State of Washington Department of Veterans Affairs, specifically the Incarcerated Veterans

Reentry Programs, Homeless Veterans Reintegration Program, the PTSD Program; and the King County Veterans Program.

c. Community-based Providers

Veteran services organizations, community mental health agencies serving veterans and non-veterans, community-based substance abuse services serving veterans and non-veterans, community-based organizations with specialized veterans services (i.e., funded via the Substance Abuse and Mental Health Services Administration (SAMHSA), King County Veterans Levy, etc.), justice-involved programs serving veterans and justice involved individuals, homeless and housing programs serving veterans, education and employment programs serving veterans.

3. Coordination with Trainings about Veterans and Serving Veterans

The VJO Coordinator will work with existing training being provided in King County (via the King County Veterans Levy and the Veterans Training Support Center) to increase knowledge and understanding about working with justice-involved veterans in the local justice system; assist in providing a justice system context to resource navigation and provision of services for veterans, especially related to trauma and trauma informed care; assist with curriculum for Crisis Intervention Training (CIT) to local law enforcement to include specific curricula about veterans and the effects of combat-related trauma. The CIT is a model of police-based crisis intervention with community behavioral health care and advocacy partnerships. The CIT provides intensive training to law enforcement and other first responders that teaches them to effectively assist and respond to people with mental illness or substance use disorders and better equips them to help individuals access the most appropriate and least restrictive services while preserving public safety.

Proviso

King County Ordinance 17232, Section 69, Veterans and Family Levy, states that:

Of this appropriation, \$25,000 shall not be expended or encumbered until the executive transmits a report and motion that acknowledges receipt of the report that references the proviso's ordinance, section and number and the motion is adopted by the council. The report shall be on the feasibility of establishing a veterans justice outreach coordinator position in the mental health, chemical abuse and dependency services division of the department of community and human services to implement a veterans justice initiative for King County. The report shall include, but not be limited to: 1) the review and recommendation for the veterans justice outreach coordinator position by the veterans levy citizen oversight board; 2) how the position would facilitate greater collaboration on veteran's issues and veteran's programs among King County departments and agencies; 3) how the position would collaborate with the federal

*veterans justice outreach coordinator; and 4) recommendations on the potential funding sources for the position.*⁴

1. *Review and recommendation for the VJO coordinator position by the veterans levy citizen oversight board*

The MHCADSD staff presented to the Veterans Citizen Levy Oversight Board January 26, 2012 on the Veterans Justice Initiative (VJI) and sought feedback on the feasibility of establishing a VJO Coordinator position within MHCADSD. An overview of the federal VJO Initiative was provided and how the King County VJI would be modeled after the federal initiative was discussed. In addition, data on veterans involved in the criminal justice system was shared and a summary of justice-involved veteran efforts to date was discussed. The board provided feedback on the development of the Implementation Plan which was subsequently presented to the Veterans Citizen Levy Oversight Board during the February 23, 2012 meeting. The board agreed to support the Implementation Plan and moved it forward for public comment. The plan was posted for public comment on the levy website at: www.kingcounty.gov/DCHS/Levy for a two week period from February 27, 2012 through March 12, 2012. No public comments were received on the plan. The Implementation Plan (Activity 1.5: Veterans Justice, 1.5.C Emerging Programs for Justice-Involved Veterans – Veterans Court) was presented to the board according to the Veterans and Human Services Levy Service Implementation Plan procurement process. Exhibit A includes a copy of the Implementation Plan, which was voted on and approved by the Veterans Citizen Levy Oversight Board on March 15, 2012.

Comments received from board members were incorporated into the Implementation Plan and the board will receive quarterly implementation updates on the VJI from the VJO Coordinator, once implementation is underway.

2. *How the position would facilitate greater collaboration on veteran's issues and veteran's programs among King County department and agencies*

The VJO Coordinator will be responsible for the development and implementation of the King County VJO Initiative which will facilitate collaboration on veterans issues and programs among King County departments and agencies. Specifically, the VJO Coordinator position will be within the DCHS, MHCADSD Criminal Justice Initiatives (CJI) project which is supervised by the Mental Illness and Drug Dependency (MIDD) Program Manager. The overarching goal of the CJI is to help people in the criminal justice system in King County with unmet mental health or substance abuse needs connect to treatment services, justice-involved services, stable housing, and other supports as alternatives to incarceration.

Specifically, the VJO Coordinator will monitor contracts, provide technical assistance associated with the veterans incarcerated project and the veterans courts liaison project,

⁴ King County Ordinance 17232, 2011.

host and facilitate quarterly veterans justice collaboration meetings, participate in the CIT trainings for law enforcement and other first responders, train community human service providers and King County departments on justice-involved veterans issues, and be a resource for the community on justice-involved veterans issues.

3. *How the position would collaborate with the federal veterans justice outreach coordinator*

The U.S. DVA has been a partner from the start on the development of the King County VJI and has been instrumental in assisting with the development of the veteran's court proviso and helping solidify the County's relationship with the DVA on many initiatives related to veterans across the region. The federal VJO currently jointly facilitates, with MHCADSD, a monthly justice-involved veteran's stakeholder meeting. These meetings started in September 2011 with the goal of ensuring that services for justice-involved veterans are coordinated and that there are smooth links to the federal DVA, which many community and local government providers find difficult to understand and navigate.

The DCHS has proactively reached out to executive leadership at the U.S. DVA, meeting with their director, deputy director, chief of staff, chief of mental health, director of social work, and director of nursing in order to strengthen the County's partnership on multiple King County efforts that involve veterans. Two meetings have been held to date and the partnership has resulted in collaboration on the VJO Initiative, CIT training, veterans treatment courts, five year plan to end veteran homelessness, involuntary treatment, suicide prevention, and an overall better relationship between the federal and local government levels. We continue to work together to ensure that veterans are not slipping through the cracks between our two governmental systems.

4. *Recommendations on the potential funding sources for the position*

It is recommended that the position be funded by the Veterans and Human Services Levy, specifically through Activity 1.5 Veterans Justice, 1.5.C Emerging Programs for Justice-involved Veterans – Veterans Court. The Veterans and Human Services Levy Service Improvement Plan defines this activity as:

This activity supports programs related to justice-involved veterans, with the primary use of these funds supporting King County's Veterans Treatment Court. Funds may also be used for existing or new service models or additional outreach or prevention programs.

The creation of the VJO Coordinator position falls within Activity 1.5.C and through the development of the proviso response on the feasibility of establishing a VJO Coordinator position. The position concept was reviewed and approved by the Veterans Citizen Levy Oversight Board through the review and approval of the Implementation Plan. A letter from the levy board chair and co-chair (Exhibit B) was provided to affirm their support for the VJO Coordinator position and VJI.

Feasibility

Since 2008, the DCHS, MHCADSD, has embarked on a VJI for King County, beginning with hosting the first forum on veterans in the criminal justice system in King County, where community providers, justice partners and veteran serving agencies came together to learn about justice-involved veterans for the first time in a coordinated way. Four years later, the increased need for forums to move to monthly meetings; the opening of three veterans therapeutic courts in King County (King County District Court Regional Veterans Court, King County Superior Court Adult Drug Diversion Court Veterans Calendar, and Seattle Municipal Court Veterans Treatment Court); implementation of the federal VJO Initiative and VJO Coordinator; and the numerous requests for presentations and trainings regarding justice-involved veterans provided evidence of the need for the establishment of a VJO Coordinator for King County to implement a VJI.

The King County VJI and VJO Coordinator position was reviewed and feedback received from the Regional Mental Health Court Regional Veterans Court Executive Committee (comprised of District Court, probation, Prosecuting Attorney's Office, Office of Public Defense, public defense agencies, DCHS, DAJD, U.S. DVA and King County Council staff); DCHS Community Services Division Veterans and Human Services Levy board staff; U.S. DVA VJO Coordinator; members of the Seattle Veterans Treatment Court team; and local law enforcement. The feedback received was positive and supportive of the VJI and VJO Coordinator moving forward.

King County Strategic Plan

In 2010, King County adopted the King County Strategic Plan. Goals of the plan include Justice and Safety, ensuring fair and accessible justice systems; and Health and Human Potential, which includes providing opportunities for all communities and individuals to realize their full potential. The VJI and VJO Coordinator position is consistent with the Strategic Plan in these two strategic areas and will facilitate greater collaboration on veteran's issues and programs among King County departments and agencies.

Conclusion

As troops continue to be deployed to the conflicts in Iraq and Afghanistan, it is critical that King County develop and implement a comprehensive response to veterans and their families. Time has shown that veterans with injuries such as PTSD, substance use disorder, and TBI have an increased risk for criminal justice involvement. Having a VJI in place, based on a public health model of prevention, early intervention, intervention/treatment, and modeled after the sequential intercept model, will help reduce the unnecessary criminalization of mental illness, substance use disorder, TBI, and extended incarceration among veterans by ensuring that eligible justice-involved veterans receive treatment. King County will be, as far as we know, the first in the country to replicate the federal VJO Initiative at the local level across a county-wide system. This type of commitment to preventing the unnecessary criminalization of veterans will help not only veterans, but their families and the entire community.



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IMPLEMENTATION PLAN

2012 – 2017 Veterans and Human Services Levy:

Activity 1.5: Veterans Justice: 1.5.C Emerging Programs for Justice-involved Veterans – Veterans Court

1. Goal

The primary goal of this activity is to reduce unnecessary criminal justice and emergency medical system involvement among the veteran population.

2. Strategy

The Veterans and Human Services Levy Service Improvement Plan (SIP) set a goal of *supporting veterans and their families to build stable lives and strong relationships.*

3. Activity 1.5 : Veterans Justice

Activity 1.5 Veterans Justice includes more than one activity. This Implementation Plan describes Activity 1.5.C, Emerging programs for justice-involved veterans, which involves three primary areas:

1. **Veterans Treatment Courts in King County** - The administration and coordination of direct service contracts to provide a mental health professional Veterans Court Liaison to serve as the clinical gatekeeper to both the City of Seattle Veterans Treatment Court and the King County District Court Regional Mental Health Court Veterans Treatment Court pilot (2012). Following the 2012 Veterans Treatment Court pilot, implementation of the Regional Veterans Treatment Court.
2. **Systems and Services Coordination** - The King County Veteran Justice Outreach initiative (VJO) involves a much needed coordination role to bring together the local justice system components, veterans' services system components (governmental and community-based providers) and community-based services for veterans throughout King County.
 - a. Justice System Components
Courts (including the 39 municipalities, King County District Court and King County Superior Court), **prosecutor's offices, public defense agencies, Jail Health and other in-custody medical/mental health providers inside jails, Community Corrections** (including City and

County Work and Education Release and Day Reporting programs), **Department of Corrections** Community Supervision units/officers.

b. Governmental Components

US Department of Veterans Affairs, specifically the Federal Veterans Justice Outreach Coordinator, Veterans Health Administration and Veterans Benefits Administration; **Vets Centers**; **State of Washington Department of Veterans Affairs**, specifically the Incarcerated Veterans Re-entry Programs, Homeless Veterans Reintegration Program and the Post-Traumatic Stress Disorder Program; and the **King County Veterans Program**.

c. Community-based Providers

Veterans services organizations, community mental health agencies serving veterans and non-veterans, **community-based substance abuse services** serving veterans and non-veterans, community-based organizations with specialized veterans services (i.e., funded via Substance Abuse and Mental Health Services Administration (SAMHSA), King County Veterans Levy, etc.), **re-entry programs** serving veterans and justice-involved individuals, **homeless and housing programs** serving veterans, **education and employment** programs serving veterans.

3. **Coordination with Trainings about Veterans and Serving Veterans** - Work with existing training being provided in King County (via the King County Veterans Levy and the Veterans Training Support Center) to infuse education about working with justice-involved veterans/the local justice system. Assist in providing a justice-system context to resource navigation and provision of services for veterans, especially related to trauma and trauma informed care. Assist with curriculum for Crisis Intervention Training (CIT) to local law enforcement to include specific curricula about veterans and the effects of combat-related trauma.

4. **Service Needs, Populations to be Served, and Promotion of Equity and Social Justice**

a) *Service Needs*

Veterans are a growing segment of the population, both in King County and across the country, comprising 7.5 percent of the total United States population. King County has a large population of veterans due to the location of the US Veterans Affairs Health Care System facility in Seattle, and the nearness of both Joint Base Lewis-McChord and the Puget Sound Naval Shipyard. There are currently 143,000 veterans in King County. Nationally, 20 percent of veterans report symptoms of a mental disorder while substance abuse disorders have been found to affect 1.8 million veterans. A disproportionate number of individuals who have served in the military are found in the adult homeless population (33 percent). Symptoms of Post Traumatic Stress Disorder (PTSD) have been found to affect 17 percent of active duty Army personnel and 25 percent of Army Reservists three to six months after they have returned home. Additionally, brain injuries account for 22 percent of all combat casualties from the Iraq and Afghanistan conflicts. In 2007, 230,000 veterans were confined in local jails and federal prisons. National statistics show that about 15 percent of people who are incarcerated are veterans, while King County statistics only recognize that about 2 percent of people who are

incarcerated have served in the military (due to inconsistent and lacking screening data for veterans who have been booked into a jail in King County).

As a result of the 2011 King County proviso (Ordinance 16984, King County Adopted 2011 Budget) to report on “the feasibility of and plans for implementation of a pilot project providing specialty court services for veterans,” many King County departments were involved in multiple discussions, which created impetus for better data collection on tracking individuals with military status across systems in King County. The Department of Adult and Juvenile Detention (DAJD) has altered how they ask about military status and is collecting related data. Public Health, Jail Health Services, is also consistently asking about military status and tracking individuals they refer to veterans related reentry services.

As a pilot veterans court become reality in King County, even better data will be attained as all veterans, whether they opt-into the specialized court or not, will be tracked. Table 1 shows the DAJD² data for military status collected for 2011:

Table 1:

	Veteran Status			Total	Veteran Status		
	Yes	No	Other		Yes	No	Other
	N	N	N		N	N	N
Jan-11	58	2,334	1,239	3,631	1.60%	64.28%	34.12%
Feb-11	60	1,936	962	2,958	2.03%	65.45%	32.52%
Mar-11	59	2,353	1,176	3,588	1.64%	65.58%	32.78%
Apr-11	76	2,171	984	3,231	2.35%	67.19%	30.45%
May-11	69	2,153	1,042	3,264	2.11%	65.96%	31.92%
Jun-11	77	2,250	1,125	3,452	2.23%	65.18%	32.59%
Jul-11	49	2,185	1,076	3,310	1.48%	66.01%	32.51%
Aug-11	65	2,224	1,020	3,309	1.96%	67.21%	30.83%
Sep-11	53	2,138	953	3,144	1.69%	68.00%	30.31%
Oct-11	76	1,913	976	2,965	2.56%	64.52%	32.92%
Nov-11	72	1,712	771	2,555	2.82%	67.01%	30.18%
Dec-11	59	1,834	789	2,682	2.20%	68.38%	29.42%
Total	773	25,203	12,113	38,089	2.03%	66.17%	31.80%

The “Other” represents those individuals who were booked into a King County jail but for whom DAJD was not able to collect military status; this represents about 33 percent of all individuals booked.

²This data was received from DAJD analytical and was run on January 30, 2012.

Collecting military status data at the prosecutorial, public defense, and court levels will also provide a better overall picture of how many veterans are being seen in our King County justice system overall, as data can be collected on those individuals not booked into a county jail facility and those not in custody for a long enough period of time for military status to be assessed.

b) Populations to be Served

The combination of mental health problems and substance abuse among veterans can be potent and can trigger behaviors that draw veterans into the criminal justice system. PTSD and Traumatic Brain Injury (TBI) can cause violent outbursts often targeted at family members, leading to charges of domestic violence. Self-medicating with alcohol and drugs can lead to impaired driving and Driving Under the Influence (DUI) charges. As a result, domestic violence and DUI charges are common charges for veterans suffering from mental health and substance abuse issues.

Veterans Treatment Courts (VTC) are therapeutic courts in the tradition of drug and mental health courts. A team approach is used with an emphasis on connecting court clients with treatment rather than punishing them with more jail time, although jail is used as a graduated sanction when appropriate. The VTCs are distinguished from drug and mental health courts in their exclusive focus on veterans and the emphasis on utilizing treatment and benefits provided by the Veterans Affairs (VA), rather than local services. In addition, VTCs emphasize the importance of community among court participants.

A VTC in King County will carefully screen individuals for military status, Veterans Health Administration (VHA) eligibility, Washington State Department of Veterans Affairs (WDVA) services eligibility and various community-based community health agencies with specialized programs serving veterans as part of the screening criteria for court eligibility. Court eligibility screening addresses diagnostic eligibility, level of functioning and insight into mental health and/or substance abuse issues, and amenability to participate in a specialized court program and probation.

As the King County VTC will be piloted as a specialized calendar within the existing Regional Mental Health Court (RMHC), the RMHC eligibility criteria will be modified to accept a mental health diagnosis of PTSD. TBI will also be included when attached to PTSD and will be considered case by case as stand-alone diagnoses, which is quite rare. In addition, many veterans struggling with mental health issues will likely have co-occurring substance use issues and the court will be screening for this and prepared to support veterans in their recovery from both mental health and substance abuse issues.

Veterans Justice Outreach/Re-entry programs are implemented with the intent to avoid the unnecessary criminalization of mental illness and extended incarceration among veterans by ensuring that eligible justice-involved veterans have timely access to VHA services and other eligible services.

c) Promotion of Equity and Social Justice

i) Will your activity have an impact on equity?

This activity will have a positive impact on equity. The King County Equity Impact Review Tool available online at: <http://www.kingcounty.gov/exec/equity/toolsandresources.aspx> provides a list of the determinants of equity that may be affected by the activity. Of the determinants listed on page 4 of the tool, the determinant most likely to be affected by this activity is, “**A law and justice system** that provides equitable access and fair treatment for all”. “**Health and human services** that

are high quality, affordable and culturally appropriate and support the optimal well-being of all people” is another determinant that may also be affected by this activity.

- ii) *What population groups are likely to be affected by the proposal? How will communities of color, low-income communities or limited English proficiency communities be impacted?*

Based on data from DAJD captured for the month of December 2011, the breakdown by **race of those incarcerated in a King County jail** are:

Race	Secure¹		EHD²		WER³	
White	904	51.4%	36	55.4%	77	53.1%
Black	695	39.5%	21	32.9%	56	38.5%
Asian	104	5.9%	6	9.3%	10	6.7%
Native American	46	2.6%	0	-	2	1.6%
Other	8	0.4%	2	2.3%	0	-

¹ Secure detention is in a King County jail (King County Correctional Facility or Regional Justice Center)

² Electronic Home Detention

³ Work and Education Release

Based on United States census information for 2010, the **race break down of King County** is (from <http://quickfacts.census.gov/qfd/states/53/53033.html>):

Race and Ethnicity, 2010	King County	Washington State
White persons	68.7%	77.3%
Black persons	6.2%	3.6%
American Indian and Alaska Native persons	0.8%	1.5%
Asian persons	14.6%	7.2%
Native Hawaiian and Other Pacific Islander	0.8%	0.6%
Persons reporting two or more races	5.0%	4.7%
Persons of Hispanic or Latino origin	8.9%	11.2%
White persons not Hispanic	64.8%	72.5%

Upon comparison of the breakdown by King County demographics from census data and the DAJD data provided for the breakdown by race of those incarcerated in our King County jails we know that people of color and, one could deduce, veterans of color are overrepresented in the justice system. The King County Veterans and Human Services Levy already funds an existing program to provide outreach to women veterans and people of color who are veterans and will play an important role in serving oppressed and marginalized communities that are over-represented in the justice system. It will also be important for direct staff and the specialty court staff to have training and consciousness in serving people from communities who experience this disproportionality in the justice system. Often, individuals are booked due to mental health and/or substance abuse issues as well as homelessness because police feel they have no other option.

Both the CIT training and the system coordination to provide more informed training to our justice system partners will address this for our veterans who are impacted. Ensuring equitable access will be critical and incorporating training around institutional and structural racism that

does exist in King County. Direct service staff will be required to have ongoing training and every effort will be made to employ diverse staff and support from community-based agencies that have made a concentrated effort to address institutional and structural racism in their employment practices.

Overall, these programs will serve veterans who come into contact with law enforcement, jails, and courts. The goal is to provide timely access to VA services for eligible justice-involved veterans to avoid unnecessary criminalization and incarceration of veteran defendants and offenders with mental illness and/or TBI. These programs recognize and address the needs of the high number of veterans who are homeless and will work to provide supports and services to address the specific needs related to this population.

- iii) *What actions will be taken to enhance likely positive impacts on these communities and mitigate possible negative impacts?*

Establish a Pilot Veteran Treatment Court

Address the issues of veteran defendants with needed services in a supportive, veteran-focused environment encouraging adherence to treatment.

Screen for Military Service

Ask individuals involved in their first contact with the Criminal Justice (CJ) system if they are a veteran or if they have ever served in the military. Local law enforcement (through Crisis Intervention Training), courts, prosecution, public defense and jails are already asking individuals they encounter about military service.

Provide Community Outreach/Education

Provide training and education in order to assist with connecting veterans to VA health care services (including behavioral health) and VA benefits and compensation – or state or county services depending on eligibility. This includes hiring a King County Veterans Justice Outreach Coordinator FTE to coordinate the King County VJO efforts in King County, as well as training for service providers on veteran specific issues/needs and referral and linkage process to VA and other veteran programs and resource. The Veterans Justice Outreach Coordinator will provide training and education on outreach, screening, assessment, and case management for justice-involved veterans to local courts, jails, justice system partners, and community based service providers.

5. Activity Description

Veterans coming into contact with the criminal justice system have a number of unmet service needs across multiple domains including behavioral health (mental health and/or co-occurring substance use), housing and employment. By introducing and incorporating veteran's justice programs, barriers to recovery can more effectively be addressed and resources can be put in place to help stabilize and support veterans as they participate in services geared towards their specific

needs. These programs will work to maximize access to VA benefits by justice-involved veterans and simultaneously minimize the use of state and locally funded programs, build a trained cadre of staff experts around veterans issues and needs including PTSD/TBI and other issues unique to veterans, create a community of veterans to foster a sense of camaraderie among its participants, position the county to more competitively compete for federal grant funding and increase recognition regarding the service of veterans to the country and our community.

The following research is excerpted from the Veterans Treatment Court Proviso Response by the King County Office of Performance Strategy and Budget dated June 1, 2011.

An academic study of 128 veterans incarcerated in King County between April 1998 and June 1999 provides some insights into justice-involved veterans and suggests a potential correlation between PTSD and incarceration. The study screened participants for PTSD, drug and alcohol usage, and patterns of incarceration. The study sample was small and results preliminary, but study authors reported that 87 percent of the veterans surveyed had traumatic experiences and 39 percent screened positive for PTSD. When compared with veterans who screened negative for PTSD, those who screened positive reported a greater variety of traumas; more serious current legal problems; a higher lifetime use of alcohol, cocaine, and heroin; higher recent expenditures on drugs; more psychiatric symptoms; and worse general health despite more previous psychiatric and medical treatment as well as treatment for substance abuse.⁵

The potential correlation between PTSD and behaviors which may lead to criminal involvement suggests that veterans of the current wars in Afghanistan and Iraq, who were not included in the 1998/1999 study, may someday, have more propensities for criminal involvement than their predecessors. The new veterans are more likely than their predecessors to suffer from PTSD and TBI than the rest of the veteran population. Indeed, PTSD and TBI are emerging as the “signature injuries” of the current conflicts because the sophistication and effectiveness of modern medical treatment results in an increasing proportion of the Afghan and Iraq veterans surviving wounds that would have killed their predecessors, but they do so with higher rates of mental health trauma and brain injury. The Department of Defense and the Defense and Veteran's Brain Injury Center estimate that 22 percent of all combat casualties from these conflicts are brain injuries, compared to 12 percent of Vietnam-related combat casualties.⁶

The Federal Veterans Justice Outreach Initiative

In the past decade, the Department of Defense and the VA have become increasingly active in efforts to address mental health and substance abuse issues among veterans. As part of an overall strategy to meet the needs of veterans, the VA launched the Veterans Justice Outreach Initiative in 2009. According to the VA:

⁵ Andrew J. Saxon, et. al., “Trauma, Symptoms of Posttraumatic Stress Disorder, and Associated Problems Among Incarcerated Veterans,” p. 959, (<http://www.nadcp.org/sites/default/files/nadcp/Trauma%2C%20symptoms%20pf%20PTSD.pdf>)

⁶ E. Lanier Summerall, “Report of (VA) Consensus Conference: Practice Recommendations for Treatment of Veterans with Comorbid TBI, Pain, and PTSD. <http://www.ptsd.va.gov/professional/pages/traumatic-brain-injuryptsd>

The purpose of the Veteran Justice Outreach Initiative (VJO) initiative is to avoid the unnecessary criminalization of mental illness and extended incarceration among Veterans by ensuring that eligible justice-involved Veterans have timely access to VHA [Veterans Health Administration] mental health and substance abuse services when clinically indicated, and other VA services and benefits as appropriate.⁷

Veterans Treatment Courts

History - The first veterans treatment court was founded in 2008 in Buffalo, New York, when Judge Robert Russell realized that a growing number of people in the Buffalo Drug and Mental Health Courts were veterans. Since 2008, at least 60 jurisdictions across the country have started or are starting a VTC.

VTCs are therapeutic courts in the tradition of drug courts and mental health courts. They use a team approach and emphasize connecting court clients with treatment, rather than punishing them with more jail time, although jail is used as a sanction when appropriate. VTCs, like other therapeutic courts, are opt-in models, which require that potential participants fit a defined set of criteria and then voluntarily opt in to the court by agreeing to the rules of the court and to abide by the treatment plan that has been developed. The relationship between the judge and the court client is important to provide both support and accountability.

VTCs are distinguished from drug and mental health courts in their exclusive focus on veterans and the emphasis on utilizing treatment and benefits provided by the VA, rather than local services. In addition, VTCs emphasize the importance of community among court participants, which is not always present in therapeutic courts. For example, in King County's Adult Drug Court and Regional Mental Health Court, defendants are rewarded for succeeding in the program by being placed at the beginning of the court calendar so they can check in and leave without having to wait through the entire calendar. VTC participants are encouraged and often required to stay for the entire calendar as a means of fostering camaraderie among court participants similar to what they may have experienced while in the service. King County's Family Treatment Court has a similar requirement for participants to stay for the full calendar and it has helped develop a sense of community in the court from which participants benefit.

VTCs often include a mentoring element, which is a potentially powerful way to engage veterans. Mentors could be previous participants in the court or veterans who are interested in helping a fellow veteran. "The concept of the veteran mentoring component is to re-engage the veteran defendant with a positive sense of veteran identity, as well to offer practical advice and services in addition to what the veteran receives in the context of his or her plan. RMHC has only recently initiated a mentoring program with two peers and ADC does not currently have a mentoring program. Courts designed specifically for veterans are consistent with the long history in the United States of providing preferences to veterans due to their service to their country. The federal government has launched multiple programs that provide preferences for veterans,

⁷ <http://www.va.gov/HOMELESS/VJO.asp>

including the GI Bill and federal employment preferences. King County provides a preference for veterans in the hiring process and the 2011 Washington State Legislature passed and the governor signed a law that allows private employers to voluntarily give a preference to hiring veterans and widows or widowers of veterans. The law further enables private companies to give employment preferences to spouses of certain honorably discharged veterans who become permanently disabled during their service.¹⁴ The VJO Initiative and veterans treatment courts are consistent with these efforts that recognize the service of veterans by providing specialized services.⁸

Other Veterans Treatment Courts

King County Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD) staff identified 60 veterans' courts currently operating in cities and counties across the country. Although limited information is available about specific eligibility criteria and participation practices for some jurisdictions, some themes related to the context, structure, and eligibility criteria for participation emerged.

All but one VTC operates as a stand-alone court, independent from other treatment court models such as drug and mental health courts. According to the National Association of Drug Court Professionals (NADCP), stand-alone courts are the preferred model because most veterans suffer from co-occurring disorders, and require treatment and considerations specific to the consequences of military trauma. VTCs are located in circuit, superior, and district or municipal courts, depending on jurisdiction, but VTCs in major metropolitan areas are most often located in district or municipal courts.

Across jurisdictions, eligibility for participation in VTCs is based upon criminal and clinical considerations. While a growing number of states, including Colorado, Illinois, and Texas have passed legislation to support the formation of veterans treatment courts, this legislation often leaves it up to local jurisdictions to decide upon specific eligibility criteria. According to the National Association of Drug Court Professionals (NADCP), many jurisdictions have based eligibility criteria on the needs of their criminal justice-involved veterans. For example, Travis County conducted a survey of veterans booked into jail to determine how many veterans were arrested, the charges filed against them, their rate of recidivism, and whether they had received VA services; eligibility criteria for the veteran court was constructed with the characteristics and needs of this population in mind. Even with largely independent jurisdictional discretion, clinical eligibility criteria are consistent across jurisdictions. Veterans and active duty military service members diagnosed with substance abuse or mental health disorders attributed to their service, including PTSD, TBI, and in some cases sexual trauma and depression, meet clinical eligibility standards.

Criminal eligibility standards are less consistent across jurisdictions. Many jurisdictions accept veterans and active duty individuals charged with misdemeanors and non-violent felony offenses, and a smaller number of courts accept only those charged with misdemeanors. Only three courts accept only felony offenders, including Pierce County, Washington and Washoe County, Nevada. Recently, many jurisdictions have expanded or are acting to expand eligibility criteria to include veterans charged with violent offenses. PTSD and other mental health conditions that result from

⁸ Excerpt from the Veterans Treatment Court Proviso Response by the King County office of Performance Strategy and Budget, June 1, 2011.

military service often manifest themselves in the form of violent offenses, and some jurisdictions found that by not accepting violent offenders they did not receive enough referrals to sustain the court.⁹

The funding will be used for the following veteran's justice activities:

- **Local Veterans Justice Outreach (VJO) Coordinator:** a local VJO Coordinator will be hired within the Department of Community and Human Services, Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD). The MHCADSD oversees the Criminal Justice Initiatives, which includes development, management and oversight of jail re-entry and therapeutic court programming; adding the VJO position to MHCADSD will ensure direct coordination and linkage of veterans' justice systems programming. The VJO Coordinator responsibilities will include developing, implementing and managing the King County VJO initiative, which includes monitoring and managing contracts associated with the VJO initiative. \$100,000.

As the VJO Initiatives encompasses the three areas addressed earlier, which are 1) **Veterans Treatment Courts in King County**; 2) **Systems and Services Coordination**; and 3) **Coordination with Trainings about Veterans and Serving Veterans**, it will be the role of this local VJO Coordinator to coordinate, monitor, troubleshoot and facilitate the these three areas and provide a single County-level point of coordination for the intersection of Veterans, justice system, and service systems for the Veterans Treatment Courts, Veterans-specific training, and community-based providers of treatment services. Bringing together the local justice system, including courts, jails, defense, prosecutor and, law enforcement with Veterans governmental and community-based providers is a brand new area for King County that requires much coordination across these fragmented and complex systems. This role will coordinate within the broader King County MHCADSD Criminal Justice Initiatives, where an existing foundation for cross-system criminal justice and social services coordination and collaboration has been occurring since 2002.

- **Veteran's Treatment Courts Liaison:** the liaison position is a contract position who will assigned to the King County Regional Mental Health Court Veterans Treatment Court and the Seattle Municipal Court Veterans Treatment Court. \$50,000.

This position works as part of the collaborative team and is responsible for the following:

- a. Screening for veterans/military status
- b. Screening for **clinical eligibility** for the veterans docket, which consists of consideration of the court's criteria and includes the clinical diagnostic criteria (mental health and substance abuse) level of functioning based on a level of functioning standardized screening tool, co-occurring mental health and substance use disorders, a trauma screening using a standardized trauma screening tool, and reviewing the veteran's treatment history in the Veterans Health Administration, the King County publicly-funded mental health system or records from other relevant healthcare providers

⁹ Excerpt from the Veterans Treatment Court Proviso Response by the King County office of Performance Strategy and Budget, June 1, 2011.

- c. Screening and Helping to Determine Amenability for the Veterans Treatment Court and requirements thereof (a MHC team-based decision with the court liaison)
 - d. Providing initial treatment plan preliminary assessment of treatment needs and work collaboratively with the Federal VJO to determine the initial treatment plan, which may involve more comprehensive trauma/PTSD assessment
- **Veterans Treatment Court:** starting in year two, following pilot implementation of the Regional Mental Health Court Veterans Treatment Court in 2012, funds will be dedicated to the therapeutic court costs of implementing the King County Veterans Treatment Court. \$155,000

Therapeutic court costs include the cost to cover the judge, court administration, prosecutors, defense and probation.

6. Funds Available

The 2012 Service Improvement Plan identified the following allocations for this activity.

	2012	2013	2014	2015	2016	2017
Veterans Levy	\$150,000	\$305,000	\$305,000	\$330,000	\$345,000	\$345,000
Human Services Levy	-	-	-	-	-	-
Total	\$150,000	\$305,000	\$305,000	\$330,000	\$345,000	\$345,000

A total of \$150,000 is available in 2012 to implement this activity. Additional funds will be available annually through 2017 based on the results of the pilot project and recommendations for a King County Veterans Court.

7. Evidence-based or Promising Practices

Since 2008, when VTCs were first established in the United States, at least 80 jurisdictions across the country have started or are starting a VTC. In Washington, four counties have veteran specialty courts: Clark, Pierce, Spokane, and Thurston. In addition, Seattle Municipal Court launched their Veterans Treatment in September 2011. VTCs utilize the key elements of therapeutic courts, replacing the traditional court processing with a treatment problem solving model. King County has long had both a drug diversion court and a mental health court, and has recognized the benefit of treatment over incarceration in addressing public safety and providing opportunities for recovery. A focus on veterans' needs and experiences, as well as a focused collaboration with veteran-specific service agencies, allows for an environment uniquely suited for this population.

Crisis Intervention Team (CIT) training is a pre-booking approach designed to improve the outcomes of police interactions with people with mental illnesses. CIT is a critical component when working with justice-involved veterans. CIT provides law enforcement officers tools for responding safely and compassionately, as well as alternatives to arrest and incarceration, when they encounter people with mental illness. In addition, CIT improves consumers' safety as officers are able, through the use of de-escalation techniques, to help prevent a crisis from deteriorating to the point where

the use of force is likely. Individuals who encounter a CIT trained officer are more likely to stay out of jails and emergency rooms and receive treatment in the community. CIT provides training on the identification, engagement and specific needs of veterans, including identifying signs of combat-related trauma and the role of adaptive behaviors in justice system involvement.

8. Service Partnerships

As part of an overall strategy to meet the needs of veterans, the VA launched the VJO Initiative in 2009. King County is already taking advantage of the VJO Initiative in several programs including the Crisis Intervention Team (CIT) training, Mental Illness and Drug Dependency (MIDD Strategy 10a), working with jail justice-involved staff to identify incarcerated veterans and link them to services, and housing when released.

A work group that included representation from the courts, the Prosecutor, the Office of Public Defense, and the Department of Community and Human Services, agreed to pilot a veteran's track in Regional Mental Health Court. The pilot year of the treatment court will be funded within existing resources and expertise of the RMHC which is fully funded by the MIDD. The 2011 adopted budget included a proviso calling for recommendations on creating a veterans specialty court in King County.

This program also seeks to maximize access to VA treatment services and veterans benefits by concentrating justice-involved veterans to a court and court screening process, thus simultaneously minimizing use of state and locally funded programs.

In 2010, King County contracted with the Criminal Justice Training Commission to implement CIT training for law enforcement and other first responders in King County. This program is currently funded through the MIDD – strategy 10a, and was implemented in partnership with DCHS, MHCADSD, and the King County Sheriff's Office. The CIT is designed to intervene in behavioral crisis and divert individuals from jail/court into mental health and/or substance abuse treatment. There is a specific component for veterans, which includes PTSD and TBI. The CIT training is available at no cost to all police in King County, and the VA police department has been invited to participate in the training.

9. Performance Measures

Performance measures provided by the CSD Performance, Management and Evaluation Unit:

Objectives	Service Outputs/ Measures	Most Recent Performance	2012 Target(s)	Data Source
Engagement/ Assessment	• Number of veterans screened	No data	• (Seattle only)	Report Card – Services
	• Number of veterans assessed for VTC	No data	• (Seattle only)	Report Card – Services
Treatment/ Intervention	• Number of veterans opting into VTC	No Data	• (Seattle only)	Report Card – Services
	• Number of eligible veterans being referred to community based services	No data	• (Seattle only)	Report Card - Services
	• Number of veterans completing VTC (18 month – 24 month outcome)	No data	• (2014 target)	Report Card - Services
System Resources/ Capacity Building	• Development and coordination of King County Veterans Justice Outreach initiative	No data	• Veterans Justice Outreach Coordinator hired	Customized Management Report
	• Number of service partners trained (or received presentations) on justice involved veterans	No data		Customized Management Report
	<u>Levy is not funding VTC in 2012, therefore target should be for 2013 and not associated with the pilot.</u> • Creation of Veterans Treatment Court calendar in King County District Court (2013)	No data	• Veterans Court docket implemented at Regional Mental Health Court (2013 target)	Customized Management Report



King County

Regional Human Services Levy Oversight Board

Veterans Citizen Levy Oversight Board

**Department of
Community and Human Services**

401 5th Avenue, Suite 510

Seattle, WA 98104

206.263.9062 FAX: 206.296.0156

TTY RELAY: 711

March 15, 2012

Dow Constantine, King County Executive
Office of the King County Executive
401 5th Avenue, Suite 800
Seattle, WA 98104

Councilmember Larry Gossett, Chair
Metropolitan King County Council
King County Courthouse
COURTHOUSE

Dear Executive Constantine and Councilmember Gossett:

We, the members of the Veteran Citizens Levy Oversight Board (VCLOB) have reviewed and support the veteran's justice initiative for King County as developed by the Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD) of the Department of Community and Human Services (DCHS). The Council directed that the VCLOB review and recommend the proposal for a veteran's justice initiative for King County in Ordinance 17232. The ordinance also directed MHCADSD to develop a report on the feasibility of establishing a veteran's justice outreach coordinator position to implement a veteran's justice initiative for King County. The ordinance stated that the report due to County Council on April 26, 2012, include the review and recommendation of the veteran's justice outreach coordinator position by the VCLOB. This letter constitutes the VCLOB response to Council direction.

We have reviewed the implementation plan for Activity 1.5 C Emerging veterans justice programs – King County Veterans Court, as presented by MHCADSD staff at our February 2012 meeting. Members of the board are keenly aware of the needs of criminal justice involved veterans and asked numerous questions which MHCADSD staff members were able to fully and satisfactorily address.

The Honorable Dow Constantine and The Honorable Larry Gossett
March 15, 2012
Page 2 of 2

We support a veteran's justice outreach coordinator position in MHCADSD to implement a veteran's justice initiative for King County. The goals of the veteran's justice initiative as described in the implementation plan align with the SIP's description of Activity 1.5 C Emerging Programs for Justice Involved Veterans. The SIP allocates sufficient levy funding to cover the costs of the veterans justice initiative including this position.

Sincerely,


Douglas D. Hoople
Chair, VCLOB


Cynthia Lefever
Vice-Chair, VCLOB

cc: Metropolitan King County Councilmembers
 ATTN: Mike Huddleston, Interim Chief of Staff
 Anne Noris, Clerk of the Council
Joe Woods, Council Relations Manager, Office of the King County Executive (OKCE)
Alan Painter, Human Services, Health and Housing Policy Advisor, OKCE
Dwight Dively, Director, Office of Performance, Strategy and Budget, OKCE
Jackie MacLean, Director, Department of Community and Human Services (DCHS)
Linda Peterson, Division Director, Community Services Division, DCHS

April 26, 2012

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

This letter transmits a proviso report on establishing a Veterans Justice Outreach Coordinator position in the Department of Community and Human Services (DCHS), Mental Health, Chemical Abuse and Dependency Services Division, to implement a Veterans Justice Initiative (VJI) for King County.

King County Ordinance 17232, Section 69, Veterans and Family Levy states:

“Of this appropriation, \$25,000 shall not be expended or encumbered until the executive transmits a report and a motion that acknowledges receipt of the report that references the proviso’s ordinance, section and number and the motion is adopted by the council. The report shall be on the feasibility of establishing a veterans justice outreach coordinator position in the mental health, chemical abuse and dependency services division of the department of community and human services to implement a veterans justice initiative for King County. The report shall include, but not be limited to: 1) the review and recommendation for the veterans justice outreach coordinator position by the veterans levy citizen oversight board; 2) how the position would facilitate greater collaboration on veteran’s issues and veteran’s programs among King County departments and agencies; 3) how the position would collaborate with the federal veterans justice outreach coordinator; and 4) recommendations on the potential funding sources for the position.”

In 2010, King County approved the King County Strategic Plan. Goals of the plan include Justice and Safety, ensuring fair and accessible justice systems; and Health and Human Potential, which includes providing opportunities for all communities and individuals to realize their full potential. The VJI and Veterans Justice Outreach Coordinator position are consistent with the Strategic Plan and will facilitate greater collaboration on veteran’s issues and programs among King County departments and agencies.

As troops continue to be deployed to the conflicts in Iraq and Afghanistan, it is critical that King County develop and implement a comprehensive response to veterans and their

families. Having a VJI in place will help reduce the unnecessary criminalization of mental illness, substance use disorder, traumatic brain injury, and extended incarceration among veterans by ensuring that eligible justice-involved veterans receive treatment.

King County will be, as far as we know, the first in the Country to replicate the federal Veterans Justice Outreach Initiative at the local level across a countywide system. This type of commitment to preventing the unnecessary criminalization of veterans will help not only veterans, but their families and the entire community.

This report includes the review and recommendation for the Veterans Justice Outreach Coordinator position by the Veterans Citizen Levy Oversight Board.

It is estimated that this report required 127 staff hours to produce, costing \$6,717.

If you have any questions, please feel free to contact Jackie MacLean, Department of Community and Human Services Director, at 206-263-9100.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Michael Woywod, Chief of Staff
 Mark Melroy, Senior Principal Legislative Analyst, BFM Committee
 Anne Noris, Clerk of the Council
Carrie S. Cihak, Chief Advisor Policy and Strategic Initiatives, King County
 Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
Jackie MacLean, Director, Department of Community and Human Services (DCHS)
Amnon Shoenfeld, Division Director, Mental Health, Chemical Abuse and
 Dependency Services Division, DCHS



King County

Government Accountability, Oversight and Financial Performance Committee

STAFF REPORT

Agenda Item:	5	Name:	Mike Alvine
Proposed No.:	2012-0198	Date:	June 26, 2012
Invited:	Diane Carlson, Director of Regional Initiatives, Executive Office Norm Alberg, Acting Director, Records and Licensing and Services Gene Mueller, Manager, Regional Animal Services of King County, Records and Licensing Services		

SUBJECT

An ordinance relating to the provision of regional animal services, authorizing the executive to enter into an interlocal agreement, Enhanced Control Services Contract and Licensing Support Contract with cities and towns in King County for the provision of regional animal services.

SUMMARY

The proposed ordinance would allow the Executive to enter into an interlocal agreement (ILA) with cities in King County for animal control services (officers in the field responding to events), shelter services and pet licensing services. Cities may also choose to pay for Enhanced Control Services. The term of the new ILA is three years, with services beginning January 1, 2013, and an option to renew for two additional years. As of May 21 of this year, 25 cities have sent the County two nonbinding letters of commitment indicating their willingness to participate in the new ILA. Cities cannot terminate the ILA for convenience.

The ILA has a new formula for cost allocation that uses population (20 percent) and usage (80 percent). The County funds three types of subsidies for certain cities using specified criteria, in order to "mitigate impacts of the cost allocation model". Cities must pass animal codes and fees similar to King County's (and as County Code may be amended in the future) while cities retain independent enforcement authority.

BACKGROUND

The County Council has been actively engaged in oversight of animal services for a number of years. In June of 2010 the County created a partnership with 27 cities within the County called Regional Animal Services of King County (RASKC). In the end, 26 cities decided to participate. The policies adopted by the County to guide the creation of RASKC as a separate agency were:

- continuation of adopted policy¹ in June 2010 to provide a regional animal services program to unincorporated King County and 27 contract cities;
- implementation of the policy to establish a separate fund to account for RASKC revenues and expenditures;
- continuation of the policy to methodically reduce General Fund support for animal services;
- reducing the euthanasia rate to 15 percent, and
- continuation of the policy to increase city contributions for animal services provided by the County.

Most recently, the 2012 budget process provided an opportunity to fine-tune the Council's oversight with an expenditure restriction and two provisos (Attachment 3). The expenditure restriction sets aside \$66,544 exclusively for hiring an Administrative Specialist III to support notice and order violations, collect fees/fines and respond to public records requests. The expenditure restriction set a revenue target of \$41,000 to be collected by the new position by June 30, 2012. If the Executive cannot certify that the revenue target was achieved, funding for the position will cease as of August 31, 2012. The due date for this certification is July 15, 2012.

The first proviso is tied to \$175,000 and requires three quarterly reports on revenue receipts from pet license notice and orders violations including fines and penalties, and must include other specific information. The first quarter report was due April 30, 2012 and was received in time, releasing \$50,000 in funding. The second quarter report is due July 30, 2012 and an additional \$50,000 in appropriation authority depends on a timely transmittal. The third quarterly report is due October 30, 2012 and \$75,000 in expenditure authority cannot be released until the Executive "transmits a motion that states that the executive has responded to the proviso and references the proviso's ordinance, section and number and the motion is adopted by the council".

The second proviso is perhaps the most important from an oversight perspective. It restricts \$250,000 until the Executive transmits a revised regional animal services financial plan, a report and a motion that must be adopted by the Council. The proviso goes into some detail expressing Council concern over the structure of the cost recovery model for animal services and the resulting impact to the County's General Fund. It also outlines eight elements that must be included in the regional animal services financial plan. (Details can be found in Attachment 3.) The report and motion are due by June 30 of this year. In order to facilitate consideration of the ILA, the Executive transmitted the response to Proviso 2 early (Attachment 7). The financial plan is consistent with the fiscal note and shows the level of continuing support for the regional animal services system at \$2.645 million in 2013 and \$2.754 million in 2014.

ANALYSIS

Issues Identified in the 2012 Budget Process - A finding in the staff report for weeks 3 was a concern that the revenue projections for fees, fines, donations and other revenues were overly optimistic. For example, donations were projected at \$200,000 for 2011 but as of August it appeared that donations would only reach \$156,000. A more significant example is the half-year RASKC budget for 2010 that assumed revenues of \$94,350 based on an estimate of collected fines and penalties for pet license violations. However, the agency actually collected only \$10,480. Revenues in the 2011 adopted

¹ Ordinances 16861, 16862 and 16863.

budget for the agency assumed \$188,000 from pet licensing fees and fines. However, through August of last year, the agency has collected only \$14,185. A more current example is 2012 revenues from fees and fines, excluding licensing fees. The adopted revenue in this category for 2012 is \$394,980. The first quarter proviso response identifies that \$71,895 in violations have been issued but only \$8,110 has been collected. Since the original transmittal, Executive staff has updated collections to reflect \$35,000 has been collected as of June 12. It appears that it will come down to the wire as to whether or not the Admin Specialist will reach the \$41,000 target. The reason the Council inserted Proviso 2 into the budget was because the financial plan put forward for RASKC appeared overly optimistic and the Council had serious doubts about achieving the projected level of revenues.

Separately, two strategies that staff Executive intended to pursue were increasing donations and seeking additional partners such as cities both north and south of the King County boundary lines, tribes, and federal reserves. It appears that the efforts on these strategies have not yet been fruitful.

Timing - The summary of the ILA provided in the transmittal packet indicates that the Executive wants the Council to adopt the ILA soon so that preparations can be made for billing and other administrative activities. In addition, the transmittal letter states that during June, the partner cities are considering legislation to adopt the new ILA. So far 24 of the cities are poised to make a decision before the July 1 action deadline. Woodinville has indicated it will make a decision shortly after July 1. This date is important because costs in the ILA are dependent on participation by all 25 cities. If any city opts out of the system or fails to act by July 1, rates have to be recalculated which will affect all remaining participants and could have the effect of causing more cities to drop out which could cause the regional system to collapse.

Performance – On the positive side, a transmittal document (Attachment 4) outlines the reforms and accomplishments of RASKC. A partial list of improvements and reforms over the last two years (2009 – 2011) includes:

- Investments in technology have allowed the County to collect key data on animal services that is needed to evaluate, monitor and improve performance of the function, including the prevention and investigation of animal cruelty.
- Through partnerships with other organizations including feral cat groups, euthanasia of animals for behavioral reasons has been reduced by 78 percent.
- The overall euthanasia rate has dropped from nearly 18 percent in 2009 to just over 14 percent in 2011. The live release rate went from 79 percent to 83 percent.
- Due to increased veterinary staffing the number of animals that died in care dropped from 3.4 percent to 1.8 percent.
- The Animal Control Officers Guild agreed to forego cost of living adjustments for 2011 and 2013. They also agreed to restructuring compensation for employees working in the pet adoption center.
- A number of improvements have been made in the investigation of animal cruelty investigations as a result of quarterly meetings with law enforcement officials.
- A number of pet licensing improvements have been made including more on-line licensing, credit card capabilities, implementation of a no-tolerance policy for licensing, all of which appear to be contributing to increased licensing revenues in 2012 which are up 20 percent (January 2011 – April 2012).

FISCAL ANALYSIS

At the request of Council staff, Executive staff provided an updated fiscal note that shows the budgeted cost of services for 2012 in order to compare the cost projections for the new ILA against the adopted budget. Of significant concern is the fact that the General Fund expenditure for animal services increases \$694,000 for 2013 over the level budgeted for 2012. The increase is an additional \$109,000 for 2014 and \$115,000 for 2015. This is contrary to the stated objective of proviso #2 and differs notably from the adopted financial plan.

To better understand what is going on with the \$2.645 million General Fund transfer for 2013, it is helpful to look at footnotes 6 and 7 for this line item in the fiscal note. The General Fund Contribution includes the elements listed below in Table 1.

Table 1 – Projected General Fund Expenditures for 2013

Purpose of Expenditure	Amount
Unincorporated King County's net final cost allocation for services per the Regional Animal Services of King County (RASKC) model	\$809,195
King County Sponsored program support of the RASK model	\$846,133
Transition Funding	\$148,614
Shelter Credits	\$750,000
Licensing Support	\$90,918
Total	\$2,644.860

The conclusion that can be drawn from Table 1 is that the County is contributing approximately \$1.8 million in General Funds to support RASKC over and above its "fair" share as calculated by the financial model. Costs such that the aggregate costs allocated to all jurisdictions are capped for the cities based on inflation (CPI-U plus population growth), leaving the difference between actual and allowable allocable costs as a potential cost increase to the County. The fiscal note indicates that the County will spend \$2.754 million in 2014 to support the regional approach for animal services.

The fiscal note observes that increased marketing and active city participation in revenue activities planned for 2013-2015 may lead to higher licensing revenues, thus decreasing the County-funded portion. Past history suggests that revenues tend to fall short of projections, however, the 2013 license revenue projections are based on 2011 actual revenues. Additionally, as noted above, the Animal Control Officers Guild did agree to no cost of living adjustment for 2013, which helps make the service more affordable.

Policy Options

Option 1: Provide Animal Services for Unincorporated King County Only

Under this scenario there would not be a regional model of animal services. Executive staff has quantified the cost of this option at approximately \$2.68M in 2012 costs. For discussion purposes the FTEs and associated costs comparing the current 2012 model with a possible unincorporated model are shown below.

2012 UI Only Model v. 2012 RASKC ILA Model Staffing Costs	2012 Current	2012 Unincorporated
Estimated 2012 Annualized Cost (W/ Overhead)	\$5.84	\$3.60
Add County-sponsored Direct Support	\$0.63	\$0.00
Less Estimated 2012 Licensing Revenue	(\$2.95)	(\$0.86)
Less Estimated Non-Licensing Revenue Costs	(\$0.38)	(\$0.06)
Less Estimated City Reimbursement	(\$1.18)	\$0.00
Estimated GF 2012 Contribution	\$1.96	\$2.68
Total FTEs	43.81	24.5

The costs identified above compare the general fund costs of \$1.96 million for 2012 in the regional model vs the 2012 estimated costs of \$2.68 million to serve only the unincorporated area. Staffing drops from 43.8 FTEs to 26.6 FTEs. One concern that has been noted by Executive staff is that reduced staffing in the shelter could adversely affect the care of animals.

It appears to Council staff that this estimate of costs to serve only unincorporated King County are high and could likely be reduce by some factor because it would be logical for some cities near the Kent shelter to purchase shelter services from the County. Nevertheless, it is difficult to quantify revenues from shared shelter services without additional conversations with the cities.

Policy Option 2: Modify Terms of the Interlocal Agreement

It took approximately five months to negotiate the proposed ILA. Twenty five cities have sent two non-binding letters of commitment to participate. While the Council has the authority to modify the terms of the agreement, it would likely cause some cities to reevaluate their participation and could cause the regional model to collapse.

Policy Option 3: Approve the ILA as Proposed

The Council has for some years worked diligently to provide adequate funding to support the humane treatment of animals while at the same time trying to reduce the disproportionate dependence on the general fund. For the public, it is a benefit to have a regional system that has a single point of contact for all key functions. In the near term, the County would not save money by going to an unincorporated-only service delivery model. Executive staff did negotiate a work plan for 2013 with the cities that is designed to increase revenues for the regional service (Attachment 8). It is too early to tell if the work plan will yield results, but Executive staff does recognize the need to decrease the reliance on the general fund in order to maintain a regional service delivery model.

REASONABLENESS:

As noted above, the options withdraw from the system and also modify the proposed ILA both have potential negative political and financial drawbacks. As such, if Councilmembers are interested in pursuing these options, staff should be directed to pursue those options. Despite the increasing costs to the county general fund, maintaining a regional animal control system has advantages for the residents of King County. As such, adoption of the ordinance would constitute a reasonable business decision.

ATTACHMENTS

1. Proposed Ordinance 2012-0198 with attachment A
2. Expenditure Restrictions and Provisos
3. Summary of Terms: Animal Services Interlocal Agreement
4. Reforms and Accomplishments – Regional Animal Services of King County
5. Transmittal Letter dated May 21, 2012
6. Updated Fiscal Note
7. Executive Response to Proviso 2 – Transmittal Letter and Financial Plan only
8. City – County 2013 Work Plan to Increase Revenues



KING COUNTY

Attachment 1

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

June 25, 2012

Ordinance

Proposed No. 2012-0198.1

Sponsors Hague and Patterson

1 AN ORDINANCE relating to the provision of regional
2 animal services, authorizing the executive to enter into an
3 interlocal agreement, Enhanced Control Services Contract
4 and Licensing Support Contract with cities and towns in
5 King County for the provision of regional animal services.

6 STATEMENT OF FACTS:

7 1. Ordinance 16862, adopted by the metropolitan King County council on
8 June 21, 2010, authorized the county executive to enter into an interlocal
9 agreement for provision of animal services to cities under a new regional
10 model that enabled the county and cities and towns to provide for better
11 public health, safety, animal welfare and customer service outcomes at a
12 lower cost than jurisdictions are able to provide for on their own. This
13 was accomplished through properly aligned financial incentives,
14 partnerships to increase revenue, economies of scale, a consistent
15 regulatory approach across participating jurisdictions and collaborative
16 initiatives to reduce the homeless animal population and leverage private
17 sector resources while providing for a level of animal care respected by
18 the community.

19 2. Beginning in November 2011, a joint cities-county work group began
20 meeting on a weekly basis to develop an amended or successor agreement
21 ensuring continuation of the regional animal services model beyond 2012.

22 The work group included representation from King County and the cities
23 of Bellevue, Clyde Hill, Covington, Enumclaw, Issaquah, Kenmore, Kent,
24 Kirkland, Lake Forest Park, Mercer Island, Newcastle, Redmond,
25 Sammamish, SeaTac, Shoreline, Tukwila and Woodinville.

26 3. On February 1, 2012, an agreement in principle developed by the joint
27 cities-county work group outlining changes to the existing Interlocal
28 Agreement, for regional animal services was provided to all contracting
29 cities. The agreement in principle and supporting materials were shared
30 with all cities through presentations to city managers and administrators,
31 numerous city council meetings and through individual meetings with
32 county and city officials and staff.

33 4. The work group developed a draft successor interlocal agreement for
34 animal services based on the agreement in principle. The draft was
35 distributed to cities on April 16, 2012. Through subsequent work of the
36 cities-county work group, additional modifications have been incorporated
37 into the interlocal agreement and distributed to all cities on May 17, 2012.

38 5. All cities and towns identified in this ordinance have formally
39 expressed their interest in participating in a regional animal services model
40 and are considering adoption of the interlocal agreement for regional
41 animal services that is authorized by this ordinance.

42 6. The proposed interlocal agreement provides for a term of three years
43 with an option to extend two additional years. The proposed interlocal
44 agreement includes a cost allocation methodology that is based on system
45 use and population and shares defined regional animal system costs
46 between the county and all participating cities and towns.

47 7. The proposed interlocal agreement provides that, if some cities or
48 towns decide not to participate and the costs are thus raised for remaining
49 participants beyond specified levels, the agreement will not go into effect
50 unless the provision is waived.

51 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

52 SECTION 1. The executive is hereby authorized to enter into an interlocal
53 agreement for the provision of regional animal services with the cities and towns of
54 Beaux Arts, Bellevue, Black Diamond, Carnation, Clyde Hill, Covington, Duvall,
55 Enumclaw, Issaquah, Kenmore, Kent, Kirkland, Lake Forest Park, Maple Valley, Mercer
56 Island, Newcastle, North Bend, Redmond, Sammamish, SeaTac, Shoreline, Snoqualmie,
57 Tukwila, Woodinville and Yarrow Point, or other cities that desire to enter into an
58 interlocal agreement in substantially the same form as Attachment A to this ordinance.

59 SECTION 2. The executive is additionally authorized to enter into the Enhanced
60 Control Services Contract and the Licensing Support Contract with such cities and towns

61 as may so request, such as in the forms that are included as Exhibit E and Exhibit F to
62 Attachment A to this ordinance.
63

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, ____.

Dow Constantine, County Executive

Attachments: A. Animal Services Interlocal Agreement for 2013 Through 2015

Animal Services Interlocal Agreement for 2013 Through 2015

This AGREEMENT is made and entered into effective as of this 1st day of July, 2012, by and between KING COUNTY, a Washington municipal corporation and legal subdivision of the State of Washington (the "County") and the City of _____, a Washington municipal corporation (the "City").

WHEREAS, the provision of animal control, sheltering and licensing services protects public health and safety and promotes animal welfare; and

WHEREAS, providing such services on a regional basis allows for enhanced coordination and tracking of regional public and animal health issues, consistency of regulatory approach across jurisdictional boundaries, economies of scale, and ease of access for the public; and

WHEREAS, the Contracting Cities are partners in making regional animal services work effectively, and are customers of the Animal Services Program provided by the County; and

WHEREAS, in light of the joint interest among the Contracting Parties in continuing to develop a sustainable program for regional animal services, including achievement of sustainable funding resources, the County intends to include cities in the process of identifying and recommending actions to generate additional revenues through the Joint City-County Committee, and further intends to convene a group of elected officials with a representative from each Contracting City to discuss and make recommendations on any potential countywide revenue initiative for animal services requiring voter approval, the implementation of which would be intended to coincide with the end of the term of this Agreement; and

WHEREAS, by executing this Agreement, the City is not implicitly agreeing to or supportive of any potential voter approved levy initiative in support of animal services; and

WHEREAS, the City and the County are parties to an Animal Services Interlocal Agreement dated July 1, 2010, which will terminate on December 31, 2012 (the "2010 Agreement"); and

WHEREAS, the City and County have negotiated a successor agreement to the 2010 Agreement in order to extend delivery of Animal Services to the City for an additional three years beginning January 1, 2013; and

WHEREAS, certain notification and other commitments under this successor Agreement arise before January 2013, but the delivery of Animal Services under this Agreement will not commence until January 1, 2013; and

WHEREAS, nothing in this Agreement is intended to alter the provision of service or manner and timing of compensation and reconciliation specified in the 2010 Agreement for services provided in 2012; and

WHEREAS, the City pursuant to the Interlocal Cooperation Act (RCW Chapter 39.34) , is authorized and desires to contract with the County for the performance of Animal Services; and

WHEREAS, the County is authorized by the Interlocal Cooperation Act, Section 120 of the King County Charter and King County Code 11.02.030 to render such services and is willing to render such services on the terms and conditions hereinafter set forth; and

WHEREAS, the County is offering a similar form of Animal Services Interlocal Agreement to cities in King County listed in Exhibit C-1 to this Agreement, and has received a non-binding statement of intent to sign such agreement from those cities;

NOW THEREFORE, in consideration of the promises, covenants and agreements contained in this Agreement, the parties agree as follows:

1. **Definitions.** Unless the context clearly shows another usage is intended, the following terms shall have these meanings in this Agreement:
 - a. **"Agreement"** means this Animal Services Interlocal Agreement for 2013 Through 2015 between the Parties including any and all Exhibits hereto, unless the context clearly indicates an intention to reference all such Agreements by and between the County and other Contracting Cities.
 - b. **"Animal Services"** means Control Services, Shelter Services and Licensing Services combined, as these services are described in **Exhibit A**. Collectively, "Animal Services" are sometimes referred to herein as the **"Program."**
 - c. **"Enhanced Control Services"** are additional Control Services that the City may purchase under certain terms and conditions as described in **Exhibit E** (the "Enhance Control Services Contract").
 - d. **"Contracting Cities"** means all cities that are parties to an Agreement.
 - e. **"Parties"** means the City and the County.
 - f. **"Contracting Parties"** means all Contracting Cities and the County.
 - g. **"Estimated Payment"** means the amount the City is estimated to owe to the County for the provision of Animal Services over a six month period per the

formulas set forth in **Exhibit C**. The Estimated Payment calculation may result in a credit to the City payable by the County.

- h. **"Pre-Commitment Estimated 2013 Payment"** means the preliminary estimate of the amount that will be owed by (or payable to) each Contracting Party for payment June 15, 2013 and December 15, 2013 as shown on **Exhibit C-1**.
- i. **"Preliminary Estimated 2013 Payment"** means the amount estimated by the County on or before August 1, 2012 per Section 5, to be owed by each Contracting Party on June 15, 2013 and December 15, 2013 based on the number of Contracting Cities with respect to which the Agreement goes into effect per Section 15. This estimate will also provide the basis for determining whether the Agreement meets the "2013 Payment Test" in Section 15.
- j. The **"Final Estimated 2013 Payment"** means the amount owed by each Contracting Party on June 15, 2013 and December 15, 2013, notice of which shall be given to the City by the County no later than December 15, 2012.
- k. **"Control District"** means one of the three geographic areas delineated in **Exhibit B** for the provision of Animal Control Services.
- l. **"Reconciliation Adjustment Amount"** means the amount payable each August 15 by either the City or County as determined per the reconciliation process described in **Exhibit D**. **"Reconciliation"** is the process by which the Reconciliation Adjustment Amount is determined.
- m. **"Service Year"** means the calendar year in which Animal Services are or were provided.
- n. **"2010 Agreement"** means the Animal Services Agreement between the Parties effective July 1, 2010, and terminating at midnight on December 31, 2012.
- o. **"New Regional Revenue"** means revenue received by the County specifically for support of Animal Services generated from regional marketing campaigns (excluding local licensing canvassing efforts by Contracting Cities or per Section 7), and new foundation, grant, donation and entrepreneurial activities, except where revenues from these sources are designated for specific purposes within the Animal Services program; *provided that* New Regional Revenue does not include Licensing Revenue, Non-Licensing Revenue or Designated Donations, as defined in **Exhibit C**. The manner of estimating and allocating New Regional Revenue is prescribed in **Exhibit C-4** and **Exhibit D**.
- p. **"Latecomer City"** means a city receiving animal services under an agreement with the County executed after July 1, 2012, per the conditions of Section 4.a.

2. **Services Provided.** Beginning January 1, 2013, the County will provide the City with Animal Services described in **Exhibit A**. The County will perform these services consistent with governing City ordinances adopted in accordance with Section 3. In providing such Animal Services consistent with **Exhibit A**, the County will engage in good faith with the Joint City-County Committee to develop potential adjustments to field protocols; provided that, the County shall have sole discretion as to the staffing assigned to receive and dispatch calls and the manner of handling and responding to calls for Animal Service. Except as set forth in Section 9 (Indemnification and Hold Harmless), services to be provided by the County pursuant to this Agreement do not include services of legal counsel, which shall be provided by the City at its own expense.
 - a. Enhanced Control Services. The City may request Enhanced Control Services by completing and submitting **Exhibit E** to the County. Enhanced Services will be provided subject to the terms and conditions described in **Exhibit E**, including but not limited to a determination by the County that it has the capacity to provide such services.
3. **City Obligations.**
 - a. Animal Regulatory Codes Adopted. To the extent it has not already done so, the City shall promptly enact an ordinance or resolution that includes license, fee, penalty, enforcement, impound/ redemption and sheltering provisions that are substantially the same as those of Title 11 King County Code as now in effect or hereafter amended (hereinafter "the City Ordinance"). The City shall advise the County of any City animal care and control standards that differ from those of the County.
 - b. Authorization to Act on Behalf of City. Beginning January 1, 2013, the City authorizes the County to act on its behalf in undertaking the following:
 - i. Determining eligibility for and issuing licenses under the terms of the City Ordinance, subject to the conditions set forth in such laws.
 - ii. Enforcing the terms of the City Ordinance, including the power to issue enforcement notices and orders and to deny, suspend or revoke licenses issued thereunder.
 - iii. Conducting administrative appeals of those County licensing determinations made and enforcement actions taken on behalf of the City. Such appeals shall be considered by the King County Board of Appeals unless either the City or the County determines that the particular matter should be heard by the City.
 - iv. Nothing in this Agreement is intended to divest the City of authority to independently undertake such enforcement actions as it deems appropriate to respond to violations of any City ordinances.

- c. Cooperation and Licensing Support. The City will assist the County in its efforts to inform City residents regarding animal codes and regulations and licensing requirements and will promote the licensing of pets by City residents through various means as the City shall reasonably determine, including but not limited to offering the sale of pet licenses at City Hall, mailing information to residents (using existing City communication mechanisms such as bill inserts or community newsletters) and posting a weblink to the County's animal licensing program on the City's official website. The City will provide to the County accurate and timely records regarding all pet license sales processed by the City. All proceeds of such sales shall be remitted to the County by the City on a quarterly basis (no later than each March 31, June 30, September 30, and December 31).
4. **Term.** Except as otherwise specified in Section 15, this Agreement will take effect as of July 1, 2012 and, unless extended pursuant to Subparagraph 4.b below, shall remain in effect through December 31, 2015. The Agreement may not be terminated for convenience.
- a. Latecomers. The County may sign an agreement with additional cities for provision of animal services prior to the termination or expiration of this Agreement, but only if the later agreement will not cause an increase in the City's costs payable to the County under this Agreement. Cities that are party to such agreements are referred to herein as "Latecomer Cities."
 - b. Extension of Term. The Parties may agree to extend the Agreement for an additional two-year term, ending on December 31, 2017. For purposes of determining whether the Agreement shall be extended, the County will invite all Contracting Cities to meet in September 2014, to discuss both: (1) a possible extension of the Agreement under the same terms and conditions; and (2) a possible extension with amended terms.
 - i. Either Party may propose amendments to the Agreement as a condition of an extension.
 - ii. Nothing in this Agreement shall be construed to compel either Party to agree to an extension or amendment of the Agreement, either on the same or different terms.
 - iii. The County agrees to give serious consideration to maintaining the various credits provided to the Contracting City under this Agreement in any extension of the Agreement.
 - c. Notice of Intent to Not Extend. No later than March 1, 2015, the Parties shall provide written notice to one another of whether they wish to extend this Agreement on the same or amended terms. The County will include a written reminder of this March 1 deadline when providing the City notice of

its 2015 Estimated Payments (notice due December 15, 2014 per Section 5). By April 5, 2015, the County will provide all Contracting Cities with a list of all Contracting Parties submitting such notices indicating which Parties do not seek an extension, which Parties request an extension under the same terms, and which Parties request an extension under amended terms.

- d. Timeline for Extension. If the Contracting Parties wish to extend their respective Agreements (whether under the same or amended terms) through December 31, 2017, they shall do so in writing no later than July 1, 2015. Absent such an agreed extension, the Agreement shall terminate on December 31, 2015.
- e. Limited Reopener and Termination. If a countwide, voter approved property tax levy for funding some or all of the Animal Services program is proposed that would impose new tax obligations before January 1, 2016, this Agreement shall be re-opened for the limited purposes of negotiating potential changes to the cost and revenue allocation formulas herein. Such changes may be made in order to reasonably ensure that the Contracting Cities are receiving equitable benefits from the proposed new levy revenues. Re-opener negotiations shall be initiated by the County no later than 60 days before the date of formal transmittal of such proposal to the County Council for its consideration. Notwithstanding anything in this Agreement to the contrary, if the re-opener negotiations have failed to result in mutually agreed upon changes to the cost and revenue allocation formulas (as reflected in either an executed amendment to this Agreement or a memorandum of understanding signed between the chief executive officers of the Parties) within 10 days of the date that the election results confirming approval of such proposal are certified, either Party may terminate this Agreement by providing notice to the other Party no sooner than the date the election results are certified and no later than 15 days following the end of such 10-day period. Any termination notice so issued will become effective 180 days following the date of the successful election, or the date on which the levy is first imposed, whichever is sooner.
- f. The 2010 Agreement remains in effect through December 31, 2012. Nothing in this Agreement shall limit or amend the obligation of the County to provide Animal Services under the 2010 Agreement as provided therein and nothing in this Agreement shall amend the obligations therein with respect to the calculation, timing, and reconciliation of payment of such services.

- 5. **Compensation.** The County will develop an Estimated Payment calculation for each Service Year using the formulas described in **Exhibit C**, and shall transmit the payment information to the City according to the schedule described below. The

County will also calculate and inform the City as to the Reconciliation Adjustment Amount on or before June 30 of each year, as described in Section 6 below and **Exhibit D**, in order to reconcile the Estimated Payments made by the City in the prior Service Year. The City (or County, if applicable) will pay the Estimated Payment, and any applicable Reconciliation Adjustment Amounts as follows (a list of all payment-related notices and dates is included at **Exhibit C-7**):

- a. Service Year 2013: The County will provide the City with a calculation of the Preliminary Estimated Payment amounts for Service Year 2013 on or before August 1, 2012, which shall be derived from the Pre-Commitment Estimated 2013 Payment Amount set forth on **Exhibit C-1**, adjusted if necessary based on the Contracting Cities and other updates to Calendar Year 2011 data in **Exhibit C-2**. The County will provide the City with the Final Estimated Payment calculation for Service Year 2013 by December 15, 2012. The City will pay the County the Preliminary Estimated Payment Amounts for Service Year 2013 on or before June 15, 2013 and December 15, 2013. If the calculation of the Preliminary Estimated Payment shows the City is entitled to receive a payment from the County, the County will pay the City such amount on or before June 15, 2013 and December 15, 2013. The Reconciliation Adjustment Amount for Service Year 2013 shall be paid on or before August 15, 2014, as described in Section 6.
- b. Service Years after 2013.
 - i. Initial Estimate by September 1. To assist the City with its budgeting process, the County will provide the City with a non-binding, preliminary indication of the Estimated Payments for the upcoming Service Year on or before each September 1.
 - ii. Estimated Payment Determined by December 15. The Estimated Payment amounts for the upcoming Service Year will be determined by the County following adoption of the County's budget and applying the formulas in **Exhibit C**. The County will by December 15 provide written notice to all Contracting Parties of the schedule of Estimated Payments for the upcoming Service Year.
 - iii. Estimated Payments Due Each June 15 and December 15. The City will pay the County the Estimated Payment Amount on or before each June 15 and December 15. If the calculation of the Estimated Payment shows the City is entitled to receive a payment from the County, the County will pay the City such amount on or before each June 15 and December 15.
 - iv. The Reconciliation Adjustment Amount for the prior Service Year shall be paid on or before August 15 of the following calendar year, as described in Section 6.

- v. If a Party fails to pay an Estimated Payment or Reconciliation Adjustment Amount within 15 days of the date owed, the Party owed shall notify the owing Party that they have ten (10) days to cure non-payment. If the Party fails to cure its nonpayment within this time period following notice, the amount owed shall accrue interest thereon at the rate of 1% per month from and after the original due date and, if the nonpaying Party is the City, the County at its sole discretion may withhold provision of Animal Services to the City until all outstanding amounts are paid. If the nonpaying Party is the County, the City may withhold future Estimated Payments until all outstanding amounts are paid. Each Party may examine the other's books and records to verify charges.
 - vi. Unless the Parties otherwise direct, payments shall be submitted to the addresses noted at Section 14.g.
 - c. Payment Obligation Survives Expiration or Termination of Agreement. The obligation of the City (or as applicable, the County), to pay an Estimated Payment Amount or Reconciliation Adjustment Amount for a Service Year included in the term of this Agreement shall survive the Expiration or Termination of this Agreement. For example, if this Agreement terminates on December 31, 2015, the Final Estimated 2015 Payment is nevertheless due on or before December 15, 2015, and the Reconciliation Adjustment Amount shall be payable on or before August 15, 2016.
 - d. The Parties agree the payment and reconciliation formulas in this Agreement (including all Exhibits) are fair and reasonable.
6. **Reconciliation of Estimated Payments and Actual Costs and Revenues.** In order that the Contracting Parties share costs of the regional Animal Services Program based on their actual, rather than estimated, licensing revenues, there will be an annual reconciliation. Specifically, on or before June 30 of each year, the County will reconcile amounts owed under this Agreement for the prior Service Year by comparing each Contracting Party's Estimated Payments to the amount derived by recalculating the formulas in **Exhibit C** using actual revenue data for such Service Period as detailed in **Exhibit D**. There will also be an adjustment if necessary to account for annexations of areas with a population of 2,500 or more and for changes in relative population shares of Contracting Parties' attributable to Latecomer Cities. The County will provide the results of the reconciliation to all Contracting Parties in writing on or before June 30. The Reconciliation Adjustment Amount will be paid on or before August 15 of the then current year, regardless of the prior termination of the Agreement as per Section 5.c.

7. Regional Revenue Generation and Licensing Revenue Support

- a. The Parties intend that the provision of Animal Services becomes significantly more financially sustainable over the initial three year term of this Agreement through the development of New Regional Revenue and the generation of additional Licensing Revenue. The County will develop proposals designed to support this goal. The County will consult with the Joint City-County Committee before proceeding with efforts to implement proposals to generate New Regional Revenue.
- b. The Parties do not intend for the provision of Animal Services or receipt of such Services under this Agreement to be a profit-making enterprise. Where a Contracting Party receives revenues in excess of its costs under this Agreement (including costs of PAWS shelter service and Enhanced Control Service, if applicable), they will be reinvested in the Program to reduce the costs of other Contracting Parties and to improve service delivery: the cost allocation formulas of this Agreement are intended to achieve this outcome.
- c. Licensing Revenue Support.
 - i. In 2013, the County will provide licensing revenue support to the nine Contracting Cities identified on **Exhibit C-5** (the "Licensing Revenue Support Cities").
 - ii. The City may request licensing revenue support from the County in 2014 and 2015 by executing **Attachment A** to **Exhibit F**. The terms and conditions under which such licensing revenue support will be provided are further described at **Exhibit C-5** and **Exhibit F**. Except as otherwise provided in **Exhibit C-5** with respect to Licensing Revenue Support Cities with a Licensing Revenue Target of over \$20,000 (per Table 1 of **Exhibit C-5**), provision of licensing revenue support in 2014 and 2015 is *subject to* the County determining it has capacity to provide such services, with priority allocation of any available services going first to Licensing Revenue Support Cities on a first-come, first-served basis and thereafter being allocated to other Contracting Cities requesting service on a first-come, first-served basis. Provision of licensing revenue support is further subject to the Parties executing a Licensing Support Contract (**Exhibit F**).
 - iii. In addition to other terms described in **Exhibit F**, receipt of licensing revenue support is subject to the recipient City providing in-kind services, including but not limited to: assisting in communication with City residents; publicizing any canvassing efforts the Parties have agreed should be implemented; assisting in the recruitment of canvassing staff, if applicable; and providing information to the County to assist in targeting its canvassing activities, if applicable.

8. **Mutual Covenants/Independent Contractor.** The Parties understand and agree that the County is acting hereunder as an independent contractor with the intended following results:

- a. Control of County personnel, standards of performance, discipline, and all other aspects of performance shall be governed entirely by the County;
- b. All County persons rendering service hereunder shall be for all purposes employees of the County, although they may from time to time act as commissioned officers of the City;
- c. The County contact person for the City staff regarding all issues arising under this Agreement, including but not limited to citizen complaints, service requests and general information on animal control services is the Manager of Regional Animal Services.

9. **Indemnification and Hold Harmless.**

- a. City Held Harmless. The County shall indemnify and hold harmless the City and its officers, agents, and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the County, its officers, agents, and employees, or any of them relating to or arising out of performing services pursuant to this Agreement. In the event that any such suit based upon such a claim, action, loss, or damages is brought against the City, the County shall defend the same at its sole cost and expense; provided that the City reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment in said suit be rendered against the City, and its officers, agents, and employees, or any of them, or jointly against the City and the County and their respective officers, agents, and employees, or any of them, the County shall satisfy the same.
- b. County Held Harmless. The City shall indemnify and hold harmless the County and its officers, agents, and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them relating to or arising out of performing services pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damages is brought against the County, the City shall defend the same at its sole cost and expense; provided that the County reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment be rendered against the County, and its officers, agents, and

employees, or any of them, or jointly against the County and the City and their respective officers, agents, and employees, or any of them, the City shall satisfy the same.

- c. Liability Related to City Ordinances, Policies, Rules and Regulations. In executing this Agreement, the County does not assume liability or responsibility for or in any way release the City from any liability or responsibility that arises in whole or in part as a result of the application of City ordinances, policies, rules or regulations that are either in place at the time this Agreement takes effect or differ from those of the County; or that arise in whole or in part based upon any failure of the City to comply with applicable adoption requirements or procedures. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such City ordinance, policy, rule or regulation is at issue, the City shall defend the same at its sole expense and, if judgment is entered or damages are awarded against the City, the County, or both, the City shall satisfy the same, including all chargeable costs and reasonable attorney's fees.
- d. Waiver Under Washington Industrial Insurance Act. The foregoing indemnity is specifically intended to constitute a waiver of each party's immunity under Washington's Industrial Insurance Act, Chapter 51 RCW, as respects the other party only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the indemnitor's employees. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

10. **Dispute Resolution.** Whenever any dispute arises between the Parties or between the Contracting Parties under this Agreement which is not resolved by routine meetings or communications, the disputing parties agree to seek resolution of such dispute in good faith by meeting, as soon as feasible. The meeting shall include the Chief Executive Officer (or his/her designee) of each party involved in the dispute and the Manager of the Regional Animal Services Program. If the parties do not come to an agreement on the dispute, any party may pursue mediation through a process to be mutually agreed to in good faith by the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties to the dispute shall share equally the costs of mediation and assume their own costs.

11. **Joint City-County Committee and Collaborative Initiatives.** A committee composed of 3 county representatives (appointed by the County) and one

representative from each Contracting City that chooses to appoint a representative shall meet upon reasonable request of a Contracting City or the County, but in no event shall the Committee meet less than twice each year. Committee members may not be elected officials. The Committee shall review service issues and make recommendations regarding efficiencies and improvements to services, and shall review and make recommendations regarding the conduct and findings of the collaborative initiatives identified below. Subcommittees to focus on individual initiatives may be formed, each of which shall include membership from both county and city members of the Joint City-County Committee. Recommendations of the Joint City-County Committee are non-binding. The collaborative initiatives to be explored shall include, but are not necessarily limited to:

- a. Proposals to update animal services codes, including fees and penalties, as a means to increase revenues and incentives for residents to license, retain, and care for pets.
- b. Exploring the practicability of engaging a private for-profit licensing system operator.
- c. Pursuing linkages between County and private non-profit shelter and rescue operations to maximize opportunities for pet adoption, reduction in homeless pet population, and other efficiencies.
- d. Promoting licensing through joint marketing activities of Contracting Cities and the County, including recommending where the County's marketing efforts will be deployed each year.
- e. Exploring options for continuous service improvement, including increasing service delivery efficiencies across the board.
- f. Studying options for repair and/or replacement of the Kent Shelter.
- g. Reviewing the results of the County's calculation of the Reconciliation Adjustment Amounts.
- h. Reviewing preliminary proposed budgets for Animal Services.
- i. Providing input into the formatting, content and details of periodic Program reports as per Section 12 of this Agreement.
- j. Reviewing and providing input on proposed Animal Services operational initiatives.
- k. Providing input on Animal Control Services response protocols with the goal of supporting the most appropriate use of scarce Control Services resources.
- l. Establishing and maintaining a marketing subcommittee with members from within the Joint City-County committee membership and additional staff as may be agreed.
- m. Collaborating on response and service improvements, including communication with 911 call centers.

- n. Developing alternative dispute mechanisms that may be deployed to assist the public in resolving low-level issues such as barking dog complaints.
- o. Working with Contracting Cities to plan disaster response for animal sheltering and care.
- p. Ensuring there is at least one meeting each year within each Control District between the County animal control officer representatives and Contracting Cities' law enforcement representatives.
- q. Identifying, discussing and where appropriate recommending actions to implement ideas to generate additional revenue to support operation and maintenance of the Animal Services Program, including but not limited to providing input and advice in shaping the terms of any proposed Countywide voted levy to provide funding support for the Animal Services Program.

12. **Reporting.** The County will provide the City with an electronic report not less than monthly summarizing call response and Program usage data for each of the Contracting Cities and the County and the Animal Services Program. The formatting, content and details of the report will be developed in consultation with the Joint City-County Committee.

13. **Amendments.** Any amendments to this Agreement must be in writing. This Agreement shall be deemed to incorporate amendments to Agreements between the Contracting Parties that are approved by the County and at least two thirds (66%) of the legislative bodies of all other Contracting Parties (in both number and in the percentage of the prior total Estimated Payments owing from such Contracting Parties in the then current Service Year), evidenced by the authorized signatures of such approving Parties as of the effective date of the amendment; *provided that* this provision shall not apply to any amendment to this Agreement affecting the Party contribution responsibilities, hold harmless and indemnification requirements, provisions regarding duration, termination or withdrawal, or the conditions of this Section.

14. **General Provisions.**

- a. Other Facilities. The County reserves the right to contract with other shelter service providers for housing animals received from within the City or from City residents, whose levels of service meet or exceed those at the County shelter for purposes of addressing shelter overcrowding or developing other means to enhance the effectiveness, efficiency or capacity of animal care and sheltering within King County.

- b. Survivability. Notwithstanding any provision in this Agreement to the contrary, the provisions of Section 9 (Indemnification and Hold Harmless) shall remain operative and in full force and effect, regardless of the withdrawal or termination of this Agreement.
- c. Waiver and Remedies. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Failure to insist upon full performance of any one or several occasions does not constitute consent to or waiver of any later non-performance nor does payment of a billing or continued performance after notice of a deficiency in performance constitute an acquiescence thereto. The Parties are entitled to all remedies in law or equity.
- d. Grants. Both Parties shall cooperate and assist each other toward procuring grants or financial assistance from governmental agencies or private benefactors for reduction of costs of operating and maintaining the Animal Services Program and the care and treatment of animals in the Program.
- e. Force Majeure. In the event either Party's performance of any of the provisions of this Agreement becomes impossible due to war, civil unrest, and any natural event outside of the Party's reasonable control, including fire, storm, flood, earthquake or other act of nature, that Party will be excused from performing such obligations until such time as the Force Majeure event has ended and all facilities and operations have been repaired and/or restored.
- f. Entire Agreement. This Agreement represents the entire understanding of the Parties and supersedes any oral representations that are inconsistent with or modify its terms and conditions.
- g. Notices. Except as otherwise provided in this Agreement, any notice required to be provided under the terms of this Agreement shall be delivered by E-mail (deemed delivered upon E-mail confirmation of receipt by the intended recipient), certified U.S. mail, return receipt requested or by personal service to the following person (or to any other person that the Party designates in writing to receive notice under this Agreement):

For the City:

For the County: Caroline Whalen, Director
 King County Dept. of Executive Services
 401 Fifth Avenue, Suite 135
 Seattle WA. 98104

- h. Assignment. No Party may sell, transfer or assign any of its rights or benefits under this Agreement without the approval of the other Party.
- i. Venue. The Venue for any action related to this Agreement shall be in Superior Court in and for King County, Washington.
- j. Records. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection and review by the County or City for such period as is required by state law (Records Retention Act, Ch. 40.14 RCW) but in any event for not less than 1 year following the expiration or termination of this Agreement.
- k. No Third Party Beneficiaries. This Agreement is for the benefit of the Parties only, and no third party shall have any rights hereunder.
- l. Counterparts. This Agreement and any amendments thereto, shall be executed on behalf of each Party by its duly authorized representative and pursuant to an appropriate motion, resolution or ordinance. The Agreement may be executed in any number of counterparts, each of which shall be an original, but those counterparts will constitute one and the same instrument.

15. Terms to Implement Agreement. Because it is unknown how many parties will ultimately approve the Agreement, and participation of each Contracting Party impacts the costs of all other Contracting Parties, the Agreement will go into effect as of July 1, 2012, only if certain “Minimum Contracting Requirements” are met or waived as described in this section. These Minimum Contracting Requirements will not be finally determined until August 15, 2012. If it is determined on or about August 15 that Minimum Contracting Requirements are **not** met and not waived, then the Agreement will be deemed to have never gone into effect, regardless of the July 1, 2012 stated effective date. If the Minimum Contracting Requirements are met or waived, the Agreement shall be deemed effective as of July 1, 2012. The Minimum Contracting Requirements are:

a. For both the City and the County:

- 1. 2013 Payment Test:** The Preliminary Estimated 2013 Payment, calculated on or before August 1, 2012, to include the County and all cities that have executed the Agreement on or prior to July 1, 2012, does not exceed the Pre-Commitment Estimated 2013 Payment as set forth in **Exhibit C-1** by more than five percent (5%) or \$3,500, whichever is greater. **If the 2013 Payment Test is not met**, either Party may waive this condition and allow the Agreement to go into effect, provided that such waiver must be exercised by giving notice to the other Party (which notice shall meet the requirements of Section 14.g) no later than August 15, 2012.

- b. **For the County:** The **Minimum Contiguity of Service Condition** must be met, such that the County is only obligated to enter into the Agreement if the County will be providing Animal Services in areas contiguous to the City, whether by reason of having an Agreement with another City or due to the fact that the City is contiguous to unincorporated areas (excluding unincorporated islands within the City limits). The Minimum Contiguity of Service Condition may be waived by the County in its sole discretion. The County shall provide the City notice meeting the requirements of Section 14.g no later than July 21, 2012 if the Minimum Contiguity of Service Condition has not been met.
- c. On or before August 21, 2012, the County shall send all Contracting Cities an informational email notice confirming the final list of all Contracting Cities with Agreements that have gone into effect.

16. **Administration.** This Agreement shall be administered by the County Administrative Officer or his/her designee, and by the City Manager, or his/her designee.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective as of July 1, 2012.

King County

City of _____

Dow Constantine
King County Executive

City Manager/Mayor

Date

Date

Approved as to Form:

Approved as to Form:

King County
Deputy Prosecuting Attorney

City Attorney

Date

Date

List of Exhibits

Exhibit A: Animal Services Description

Exhibit B: Control Service District Map Description

Exhibit B-1: Map of Control Service District

Exhibit C: Calculation of Estimated Payments

Exhibit C-1: Pre-Commitment Estimated 2013 Payment (*showing participation only by jurisdictions that have expressed interest in contracting for an additional 3 year term*)

Exhibit C-2: Estimated Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Pre-Commitment Estimated 2013 Payment

Exhibit C-3: Calculation of Budgeted Total Allocable Animal Services Costs, Budgeted Total Non-Licensing Revenue and Budget Net Allocable Animal Services Costs for 2013

Exhibit C-4: Calculation and Allocation of Transition Credit, Shelter Credit, and Estimated New Regional Revenue

Exhibit C-5: Licensing Revenue Support

Exhibit C-6: Summary of Calculation Periods for Use and Population Components

Exhibit C-7: Payment and Calculation Schedule

Exhibit D: Reconciliation

Exhibit E: Enhanced Control Services Contract (Optional)

Exhibit F: Licensing Support Contract (Optional)

Exhibit A

Animal Service Description

Part I: Control Services

Control Services include the operation of a public call center, the dispatch of animal control officers in response to calls, and the handling of calls in the field by animal control officers, including the collection and delivery of animals to the Kent Shelter (or such other shelters as the County may utilize in accordance with this Agreement).

1. Call Center

- a. The County will operate an animal control call center five days every week (excluding holidays and County-designated furlough days, if applicable) for a minimum of eight hours per day (normal business hours). The County will negotiate with applicable unions with the purpose of obtaining a commitment for the five day call center operation to include at least one weekend day. The County may adjust the days of the week the call center operates to match the final choice of Control District service days.
- b. The animal control call center will provide callers with guidance, education, options and alternative resources as possible/appropriate.
- c. When the call center is not in operation, callers will hear a recorded message referring them to 911 in case of emergency, or if the event is not an emergency, to either leave a message or call back during regular business hours.

2. Animal Control Officers

- a. The County will divide the area receiving Control Services into three Control Districts as shown on **Exhibit B**. Subject to the limitations provided in this Section 2, Control Districts 200 and 220 will be staffed with one Animal Control Officer during Regular ACO Service Hours and District 500 will be staffed with two Animal Control Officers (ACOs) during Regular ACO Service Hours. Regular ACO Service Hours is defined to include not less than 40 hours per week. The County will negotiate with applicable unions with the intention of obtaining a commitment for Regular ACO Service Hours to include service on at least one weekend day. Regular ACO Service Hours may change from time to time.
 - i. Except as the County may in its sole discretion determine is necessary to protect officer safety, ACOs shall be available for responding to calls within their assigned Control District and will not be generally

available to respond to calls in other Control Districts. **Exhibit B-1** shows the map of Control Districts.

- ii. Countywide, the County will have a total of not less than 6 ACOs (Full-Time Equivalent employees) on staff to maximize the ability of the County to staff all Control Districts notwithstanding vacation, sick-leave, and other absences, and to respond to high workload areas on a day-to-day basis. While the Parties recognize that the County may at times not be able to staff all Control Districts as proposed given unscheduled sick leave or vacancies, the County will make its best efforts to establish regular hourly schedules and vacations for ACOs in order to minimize any such gaps in coverage. In the event of extended absences among the 6 ACOs, the County will re-allocate remaining ACOs as practicable in order to balance the hours of service available in each Control District. In the event of ACO absences (for any causes and whether or not such absences are extended as a result of vacancies or other issues), the first priority in allocating ACOs shall be to ensure there is an ACO assigned in each Control District during Regular ACO Service Hours.
- b. Control District boundaries have been designed to balance work load, correspond to jurisdictional boundaries and facilitate expedient transportation access across each district. The County will arrange a location for an Animal Control vehicle to be stationed overnight in Control Districts ("host sites") in order to facilitate service and travel time improvements or efficiencies.
- c. The County will use its best efforts to ensure that High Priority Calls are responded to by an ACO during Regular ACO Service Hours on the day such call is received. The County shall retain full discretion as to the order in which High Priority calls are responded. High Priority Calls include those calls that pose an emergent danger to the community, including:
 - 1. Emergent animal bite,
 - 2. Emergent vicious dog,
 - 3. Emergent injured animal,
 - 4. Police assist calls—(police officer on scene requesting assistance from an ACO),
 - 5. Emergent loose livestock or other loose or deceased animal that poses a potential danger to the community, and
 - 6. Emergent animal cruelty.
- d. Lower priority calls include all calls that are not High Priority Calls. These calls will be responded to by the call center staff over the telephone, referral

to other resources, or by dispatching of an ACO as necessary or available, all as determined necessary and appropriate in the sole discretion of the County. Particularly in the busier seasons of the year (spring through fall), lower priority calls may only receive a telephone response from the Call Center. Lower Priority calls are non-emergent requests for service, including but not limited to:

1. Non-emergent high priority events,
 2. Patrol request – (ACO requested to patrol a specific area due to possible code violations),
 3. Trespass,
 4. Stray Dog/Cat/other animal confined,
 5. Barking Dog,
 6. Leash Law Violation,
 7. Deceased Animal,
 8. Trap Request,
 9. Female animal in season, and
 10. Owner's Dog/Cat/other animal confined.
- e. The Joint-City County Committee is tasked with reviewing response protocols and recommending potential changes to further the goal of supporting the most appropriate use of scarce Control Service resources countywide. The County will in good faith consider such recommendations but reserves the right to make final decisions on response protocols. The County will make no changes to its procedures that are inconsistent with the terms of this **Exhibit A**, *except that* upon the recommendation of the Joint City-County Committee, the County may agree to modify response with respect to calls involving animals other than horses, livestock, dogs and cats.
- f. In addition to the ACOs serving specific districts, the following Control Service resources will be available on a shared basis for all Parties and shall be dispatched as deemed necessary and appropriate by the County.
1. An animal control sergeant will provide oversight of and back-up for ACOs five days per week at least 8 hours/day (subject to vacation/sick leave/training/etc.).
 2. Staff will be available to perform animal cruelty investigations, to respond to animal cruelty cases, and to prepare related reports (subject to vacation/sick leave/training/etc.).
 3. Not less than 1 ACO will be on call every day at times that are not Regular ACO Service Hours (including the days per week that are not included within Regular ACO Service Hours), to respond to High Priority Calls posing an extreme life and safety danger, as determined by the County.

- g. The Parties understand that rural areas of the County will generally receive a less rapid response time from ACOs than urban areas.
- h. Contracting Cities may contract with King County for “Enhanced Control Services” through separate agreement (as set forth in **Exhibit E**); *provided that* a City may not purchase Enhanced Control Services under Option 1 as described in **Exhibit E** if such City is receiving a Transition Funding Credit, Shelter Credit, or licensing revenue support the cost of which is not reimbursed to the County.

Part II: Shelter Services

Shelter services include the general care, cleaning and nourishment of owner-released, lost or stray dogs, cats and other animals. Such services shall be provided 7-days per week, 365 days per year at the County’s animal shelter in Kent (the “Shelter”) or other shelter locations utilized by the County, including related services described in this section. The County’s Eastside Pet Adoption Center in the Crossroads area of Bellevue will be closed to the public.

During 2013-2015, major maintenance of the Shelter will continue to be included in the Program costs allocated under this Agreement (as part of the central County overhead charges allocated to the Program), but no major renovation, upgrades or replacements of the Shelter established as a capital project within the County Budget are anticipated nor will any such capital project costs be allocated to the Contracting Cities in Service Years 2013-2015.

1. Shelter Services

- a. Services provided to animals will include enrichment, exercise, care and feeding, and reasonable medical attention.
- b. The Public Service Counter at the Shelter will be open to the public not less than 30 hours per week and not less than 5 days per week, excluding holidays and County designated furlough days, for purposes of pet redemption, adoption, license sales services and (as may be offered from time to time) pet surrenders. The Public Service Counter at the shelter may be open for additional hours if practicable within available resources.
- c. The County will maintain a volunteer/foster care function at the Shelter to encourage use of volunteers working at the shelter and use of foster families to provide fostering/transitional care between shelter and permanent homes for adoptable animals.
- d. The County will maintain an animal placement function at the Shelter to provide for and manage adoption events and other activities leading to the placement of animals in appropriate homes.

- e. Veterinary services will be provided and will include animal exams, treatment and minor procedures, spay/neuter and other surgeries. Limited emergency veterinary services will be available in non-business hours, through third-party contracts, and engaged if and when the County determines necessary.
 - f. The County will take steps through its operating policies, codes, public fee structures and partnerships to reduce the number of animals and their length of stay in the Shelter, and may at times limit owner-surrenders and field pick-ups, adjust fees and incentivize community-based solutions.
2. **Other Shelter services**
- a. Dangerous animals will be confined as appropriate/necessary.
 - b. Disaster/emergency preparedness for animals will be coordinated regionally through efforts of King County staff.
3. **Shelter for Contracting Cities contracting with PAWS (Potentially including Woodinville, Shoreline, Lake Forest Park, Kenmore (“Northern Cities”)).** For so long as a Northern City has a contract in effect for sheltering dogs and cats with the Progressive Animal Welfare Society in Lynnwood (PAWS), the County will not shelter dogs and cats picked up within the boundaries of such City(s), except in emergent circumstances and when the PAWS Lynnwood shelter is not available. Dogs and cats picked up by the County within such City(s) will be transferred by the County to the PAWS shelter in Lynnwood for shelter care, which will be provided and funded solely through separate contracts between each Northern City and PAWS, and the County will refer residents of that City to PAWS for sheltering services. The County will provide shelter services for animals other than dogs and cats that are picked up within the boundaries of Northern Cities contracting with PAWS on the same terms and conditions that such shelter services are provided to other Contracting Parties. Except as provided in this Section, the County is under no obligation to drop animals picked up in any Contracting City at any shelter other than the County shelter in Kent.
4. **County Contract with PAWS.** Nothing in this Agreement is intended to preclude the County from contracting with PAWS in Lynnwood to care for animals taken in by County ACOs.
5. **Service to Persons who are not Residents of Contracting Cities.** The County will not provide routine shelter services for animals brought in by persons who are not residents of Contracting Cities, but may provide emergency medical care to such animals, and may seek to recover the cost of such services from the pet owner and/or the City in which the resident lives.

Part III: Licensing Services

Licensing services include the operation and maintenance of a unified system to license pets in Contracting Cities.

1. The public will be able to purchase pet licenses in person at the County Licensing Division public service counter in downtown Seattle (500 4th Avenue), King County Community Service Centers and the Kent Animal Shelter during regular business hours. The County will maintain on its website the capacity for residents to purchase pet licenses on-line.
2. The County may seek to engage and maintain a variety of private sector partners (e.g. veterinary clinics, pet stores, grocery stores, city halls, apartment complexes) as hosts for locations where licenses can be sold or promoted in addition to County facilities.
3. The County will furnish licenses and application forms and other materials to the City for its use in selling licenses to the public at City facilities and at public events.
4. The County will publicize reminders and information about pet licensing from time to time through inserts in County mailings to residents and on the County's public television channel.
5. The County will annually mail or E-mail at least one renewal form, reminder and late notice (as applicable) to the last known addresses of all City residents who purchased a pet license from the County within the previous year (using a rolling 12-month calendar).
6. The County may make telephone reminder calls in an effort to encourage pet license renewals.
7. The County shall mail pet license tags or renewal notices as appropriate to individuals who purchase new or renew their pet licenses.
8. The County will maintain a database of pets owned, owners, addresses and violations.
9. The County will provide limited sales and marketing support in an effort to maintain the existing licensing base and increase future license sales. The County reserves the right to determine the level of sales and marketing support provided from year to year in consultation with the Joint City-County Committee. The County will work with any City in which door-to-door canvassing takes place to reach agreement with the City as to the hours and locations of such canvassing.
10. The County will provide current pet license data files (database extractions) to a Contracting City promptly upon request. Data files will include pets owned, owners, addresses, phone numbers, E-mail addresses, violations, license renewal status, and any other relevant or useful data maintained in the County's database on pets licensed within the City's limits. A City's database extraction will be

provided in electronic format agreed to by both parties in a timely fashion and in a standard data release format that is easily usable by the City.

Exhibit B: Control Service District Map

The attached map (**Exhibit B-1**) shows the boundaries of the 3 Control Service Districts as established at the commencement of this Amended and Restated Agreement.

The cities and towns included in each Control District are as follows:

<u>District 200 (Northern District)</u> Shoreline Lake Forest Park Kenmore Woodinville Kirkland Redmond Sammamish Duvall Carnation	<u>District 220 (Eastern District)</u> Bellevue Mercer Island Yarrow Point Clyde Hill Town of Beaux Arts Issaquah Snoqualmie North Bend Newcastle
<u>District 500 (Southern District)</u> Tukwila SeaTac Kent Covington Maple Valley Black Diamond Enumclaw	

The Districts shall each include portions of unincorporated King County as illustrated on **Exhibit B-1**.

Exhibit B-1 Control District Map

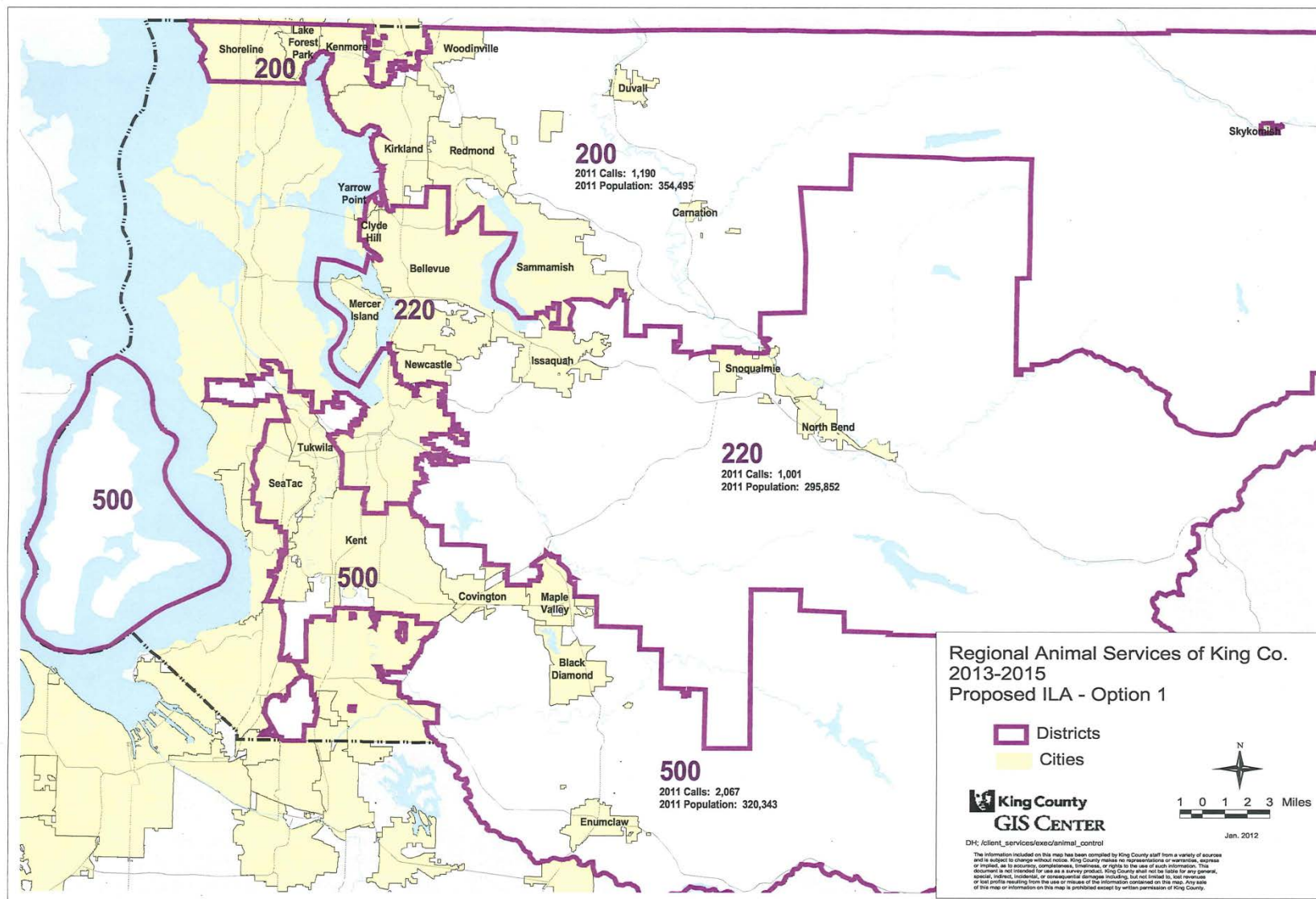


Exhibit C

Calculation of Estimated Payments

The Estimated Payment is the amount, before reconciliation, owed by the City to the County (or owed by the County to the City if the amount calculated is less than \$0) for the provision of six months of Animal Services, based on the formulas below.

In summary and subject to the more detailed descriptions below, an initial cost allocation is made for Service Year 2013 based on the cost factors described in **Part 1** below; costs are offset by various revenues as described in **Part 2**. An annual reconciliation is completed as described in **Part 3**. In Service Years 2014 and 2015, the Contracting Parties' allocable costs are adjusted based on: (1) the actual change in total allocable costs over the previous Service Year (subject to an inflator cap), (2) changes in revenues, and (3) to account for annexations (in or out of the Program service area) of areas with a population of 2,500 or more, and for changes in relative population share of all Contracting Parties due to any Latecomer Cities. If the Agreement is extended past 2015, the cost allocation in 2016 will be recalculated in the same manner as for Service Year 2013 and adjusted in 2017 per the process used for Service Years 2014 and 2015.

Based on the calculation process described in **Parts 1 and 2**, an "Estimated Payment" amount owed by each City for each Service Year is determined. Each Estimated Payment covers six months of service. Payment for service is made by each City every June 15 and December 15.

Part 1: Service Year 2013 Cost Allocation Process

- Control Services costs are to be shared among the 3 geographic Control Districts; one quarter of such costs are allocated to Control District 200, one quarter to Control District 220, and one half are allocated to Control District 500. Each Contracting Party located within a Control District is to be allocated a share of Control District costs based 80% on the Party's relative share of total Calls for Service within the Control District and 20% on its relative share of total population within the Control District.
- Shelter Services costs are to be allocated among all Contracting Parties based 20% on their relative population and 80% on the total shelter intake of animals attributable to each Contracting Party, except that cities contracting for shelter services with PAWS will pay only a population-based charge.

- Licensing Services costs are to be allocated among all Contracting Parties, based 20% on their relative population and 80% on the number of licenses issued to residents of each Contracting Party.

Part 2: Revenue and Other Adjustments to the 2013 Cost Allocation.

In 2013 and each Service Year thereafter, the costs allocable to each Contracting Party are reduced by various revenues and credits:

- Licensing revenue will be attributed to each Contracting Party based on the residency of the individual purchasing the license (see **Part 3** for reconciliation of Licensing Revenues). As Licensing Revenue and Non-Licensing Revenues change from year to year, the most recent historical actual data for these amounts will be incorporated to offset costs (See **Exhibit C-6** for calculation periods).
- Two credits are applicable to various Contracting Cities to reduce the amount of their Estimated Payments: a Transition Funding Credit (fixed at 2013 level, payable annually through 2015) for cities with high per-capita costs and a Shelter Credit (for Contracting Cities with the highest per capita intakes (usage)) (also fixed at a 2013 level, payable annually through 2015). Application of these Credits is limited such that the Estimated Payment cannot fall below zero (before or after the annual Reconciliation calculation).
- In addition to the Transition Funding and Shelter credits, in 2013 the County will provide Licensing Revenue Support to nine identified Contracting Cities (selected based on the general goal of keeping 2013 costs the same or below 2012 costs). In exchange for certain in-kind support, these "Licensing Revenue Support Cities" are assured in 2013 of receiving an identified amount of additional licensing revenue or credit equivalent (the "Licensing Revenue Target"). In 2014 and 2015, all Contracting Cities may request licensing revenue support by entering into a separate licensing support contract with the County (**Exhibit F**): this support is subject to availability of County staff, with priority going to the nine Licensing Revenue Support Cities, *provided that*, Licensing Revenue Support Cities with a Licensing Revenue Target over \$20,000/year will be assured such service in 2013-2015 by entering into a licensing support contract by September 1, 2012.
- As New Regional Revenues are received by the County to support the Animal Services Program, those Revenues shall be allocated as follows:

- Half of New Regional Revenues shall be applied to reduce allocable Control Services Costs, Shelter Services Costs, and Licensing Services Costs (in 2013, by 17%, 27% and 6%, respectively, of total New Regional Revenues; in 2014 and 2015 the 50% reduction is simply made against Total Allocable Costs).
- The remaining half of New Regional Revenues shall be applied in the following order of priority:
 - (a) to offset amounts expended by the County as Transition Funding Credits, Shelter Credits and unreimbursed licensing revenue support;
 - (b) to offset other County Animal Services Program costs that are not allocated in the cost model;
 - (c) to reduce on a *pro-rata* basis up to 100% of the costs allocated to each Contracting Party by the population factor of the cost allocation formulas (20%) with the intent of reducing or eliminating the population-based cost allocation; and
 - (d) if any funds remain thereafter, as an offset against each Contracting Party's final reconciled payment obligation. Items(c) and (d) above are unlikely to arise during the 3 year term of the Agreement and shall be calculated only at Reconciliation.
- In Service Years 2014 and 2015, allocable costs are adjusted for each Contracting Party based on the actual increase or decrease in allocable costs from year to year for the whole Program. Total Budgeted Allocable Costs cannot increase by more than the Annual Budget Inflator Cap. The Annual Budget Inflator Cap is the rate of inflation (based on the annual change in the September CPI-U for the Seattle-Tacoma-Bremerton area over the rate the preceding year) plus the rate of population growth for the preceding year for the County (including the unincorporated area and all Contracting Cities).
- In all Service Years, costs are also adjusted for annexations (in or out of the Program service area) of areas with a population greater of 2,500 or more and the shift in relative population shares among all Contracting Parties as a result of any Latecomer Cities.

Part 3: Reconciliation

- Estimated Payments are reconciled to reflect actual revenues as well as changes in population attributable to annexations of areas with a population of 2,500 or more (in or out of the Program) and the shifts in relative population among all Contracting Parties as a result of any Latecomer Cities. The Reconciliation occurs

by June 30 of the following calendar year. The Reconciliation calculation and payment process is described in **Exhibit D**.

- The receipt of Transition Funding Credits or Shelter Credits can never result in the amount of the Estimated Reconciliation Adjustment Payment falling below \$0.
- If a jurisdiction's licensing revenues exceed its net costs payable under this Agreement, then in the annual reconciliation process, the excess licensing revenue is reallocated *pro rata* amongst all Contracting Parties which will otherwise incur net costs; *provided that*, the determination of net costs shall be adjusted as follows: (1) for a Contracting City purchasing shelter services from PAWS, net costs includes consideration of the amounts paid by such City to PAWS; and (2) for a Contracting City purchasing Enhanced Control Services per Exhibit E, net costs includes consideration of the amounts paid for such services.

Part 4: Estimated Payment Calculation Formulas

For Service Year 2013:¹

$$EP = [(EC + ES + EL) - (ER + T + V)] \div 2$$

For Service Years 2014 and 2015:

$$EP = [(B \times LF) - (ER + T + V)] \div 2$$

Where:

"EP" is the Estimated Payment. For Contracting Cities receiving a Transition Credit or Shelter Credit, the value of EP may not be less \$0.

"EC" or "Estimated Control Services Cost" is the City's estimated share of the Budgeted Net Allocable Control Services Cost for the Service Year. See formula below for deriving "EC."

"ES" or "Estimated Shelter Services Cost" is the City's estimated share of the Budgeted Net Allocable Shelter Services Cost for the Service Year. See formula below for deriving "ES."

¹ This formula also applies to Service Year 2016 if the Agreement is extended. The EP formula for Years 2014 and 2015 would apply to Service Years after 2016.

“EL” or “Estimated Licensing Services Cost” is the City’s estimated share of the Budgeted Net Allocable Licensing Services Cost for the Service Year. *See formula below for deriving “EL.”*

“ER” is Estimated Licensing Revenue attributable to the City. For purposes of determining the Estimated Payment in Year 2013, ER is based on the number of each type of active license issued to City residents in years 2011 (the “Calculation Period”). **Exhibit C-2** shows a preliminary estimate of 2011 Licensing Revenue; the numbers in this exhibit are subject to Reconciliation by June 30, 2012. For Licensing Revenue Support Cities identified in **Exhibit C-5**, or other Contracting Cities which have entered into a Licensing Support Contract per **Exhibit F**, **ER** is increased by adding the amount of revenue, if any, estimated to be derived as a result of licensing revenue support provided to the City (the “Licensing Revenue Target” or **“RT”**); this amount is also shown in the column captioned “Estimated Revenue from Proposed Licensing Support” on **Exhibit C-1**). License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete address information), which generally represents a very small fraction of overall revenue, is allocated amongst the Parties based on their respective percentages of ER as compared to Total Licensing Revenue. Notwithstanding the foregoing, **“ER”** may be based on a *estimated* amount of licensing for the Service Year for the City if, in the reasonable judgment of the County, an estimated Licensing Revenue amount can be proposed that is likely to more closely approximate the actual Licensing Revenue for the Service Year than the data from the Calculation Period; *provided that* the use of any estimates shall be subject to the conditions of this paragraph. The County shall work with the Joint City-County Committee to develop estimated Licensing Revenue amounts for all Contracting Cities for the upcoming Service Year. If the Joint City County Committee develops a consensus proposal (agreement shall be based on the consensus of those Contracting Cities present at the Joint City/County meeting in which Licensing Revenue estimates are presented in preparation for the September 1 Preliminary Estimated Payment Calculation notification), it shall be used in developing the September 1 Preliminary Estimated Payment Calculation. If a consensus is *not* reached, the County shall apply the actual Licensing Revenue from the Calculation Period for the Service Year to determine the Preliminary Estimated Payment. For the Final Estimated Payment Calculation (due December 15), the County may revisit the previous estimate with the Joint City-County Committee and seek to develop a final consensus revenue estimate. If a consensus is not reached, the County shall apply the Actual Licensing Revenue from the applicable Calculation Period in the calculation of the Final Estimated Payment.

“T” is the **Transition Funding Credit**, if any, allocable to the City for each Service Year calculated per **Exhibit C-4**.

“V” is the **Shelter Credit**, if any, allocable to the City for each Service Year calculated per **Exhibit C-4**.

“B” is the **“Budgeted Total Net Allocable Costs”** estimated for the Service Year for the provision of Animal Services which are allocated among all the Contracting Parties for the purposes of determining the Estimated Payment. The Budgeted Total Net Allocable Costs are calculated as the **Budgeted Total Allocable Costs** (subject to the **Annual Budget Inflator Cap**) *less Budgeted Total Non-Licensing Revenue* and *less 50% of Estimated New Regional Revenues*. The Budgeted Total Allocable Costs *exclude* any amount expended by the County as Transition Funding Credits, or Shelter Credits (described in **Exhibit C-4**), or to provide Licensing Revenue Support (described in **Section 7** and **Exhibit C-5**). A preliminary calculation (by service area—Control, Shelter, Licensing) of Budgeted Total Net Allocable Costs, Budgeted Total Allocable Costs and Budgeted Total Non-Licensing Revenue for purposes of calculating the Pre-Commitment Estimated 2013 Payments is set forth in **Exhibit C-3**.

“LF” is the **“Program Load Factor”** attributable to the City. **LF** has two components, one fixed, and one subject to change each Service Year and at Reconciliation. The first, fixed component relates to the City’s share of Budgeted Total Net Allocable Costs: it is the City’s 2013 Service Year Total Animal Services Cost Allocation (See Column 6 of **Exhibit C-1**) *expressed as a percentage* of the Budgeted Total Net Allocable Costs for 2013. The pre-commitment estimate of **LF** appears in column 7 of **Exhibit C-1**. This component of **LF** (as determined based on the Final 2013 Estimated Payment) remains constant for Service Years 2014 and 2015. The second component of **LF** relates to annexations of areas with a population of 2,500 or more or to Latecomer Cities. This second component is calculated as described in the definition of **“Population,”** below.

“Total Licensing Revenue” means all revenue received by the County’s Animal Services Program attributable to the sale of pet licenses excluding late fees. With respect to each Contracting Party, the amount of **“Licensing Revenue”** is the revenue generated by the sale of pet licenses to residents of the jurisdiction. (With respect to the County, the jurisdiction is the unincorporated area of King County.)

“Total Non-Licensing Revenue” means all revenue from fine, forfeitures, and all other fees and charges imposed by the County’s Animal Services program in connection with the operation of the Program, *but excluding Total Licensing Revenue, Estimated New Regional Revenues* and **Designated Donations**.

“Estimated New Regional Revenues” (“ENR”) are revenues projected to be received by the County specifically for support of Animal Services which result from regional marketing campaigns (thus excluding local licensing canvassing efforts pursuant to **Section 7**), and new foundation, grant, donation and entrepreneurial activities, except where revenues from these sources are designated for specific purposes within the Animal Services Program. Calculation and allocation of Estimated and Actual New Regional Revenues are further described in **Exhibit C-4**. For Service Year 2013, Estimated New Regional Revenues are assumed to be zero. If New Regional Revenues are received in 2013, they will be accounted for in the reconciliation of 2013 Payments. **ENR** excludes **Designated Donations**, **Total Non-Licensing Revenue** and **Total Licensing Revenue**.

“Designated Donations” mean donations from individuals or other third parties to the County made for the purpose of supporting specific operations, programs or facilities within the Animal Services Program.

“Licensing Revenue Support” means activities or funding to be undertaken in specific cities to enhance licensing revenues, per **Section 7**, **Exhibit C-5** and **Exhibit F**.

“Annual Budget Inflation Cap” means the maximum amount by which the Budgeted Total Allocable Costs may be increased from one Service Year to the next Service Year, and year to year, which is calculated as the rate of inflation (based on the annual change in the September CPI-U for the Seattle-Tacoma-Bremerton area over the rate the preceding year) plus the rate of population growth for the preceding year for the County (including the unincorporated area and all Contracting Cities), as identified by comparing the two most recently published July OFM city and county population reports. The cost allocations to individual services (e.g. Control Services, Shelter Services or Licensing Services) or specific items within those services may be increased or decreased from year to year in so long as the Budgeted Total Annual Allocable Costs do not exceed the Annual Budget Inflation Cap.

“Service Year” is the calendar year in which Animal Services are/were provided.

“Calculation Period” is the time period from which data is used to calculate the Estimated Payment. The Calculation Period differs by formula component and Service Year. **Exhibit C-6** sets forth in table form the Calculation Periods for all formula factors for Service Years 2013, 2014 and 2015.

“Population” with respect to any Contracting Party for Service Year 2013 means the population number derived from the State Office of Financial Management (OFM) most recent annually published report of population used for purposes of allocating state shared revenues in the subsequent calendar year (typically published by OFM each July,

reflecting final population estimates *as of April of the same calendar year*). For each Service Year, the OFM reported population will be adjusted for annexations of 2,500 or more residents known to be occurring after April, 2012 and before the end of the Service Year. *For example*, when the final Estimated Payment calculation for 2013 is provided on December 15, 2012, the population numbers used will be from the OFM report issued in July 2012 and will be adjusted for all annexations of 2,500 or more residents that occurred (or are known to be occurring) between April 2012 and December 31, 2013. In any Service Year, if: (1) annexations of areas with a population of 2,500 or more people occurs to impact the population within the jurisdiction of a Contracting Party; or (2) a Latecomer City is brought under contract with the County, these changes shall be accounted for in the calculation of the Estimated Payment for such Service Year by adjusting the “**Program Load Factor**” (or “**LF**”) for each Contracting Party. Such adjustment shall be made at the next occurring possibility (e.g., at calculation of the Preliminary Estimated Payment, Final Estimated Payment, or Reconciliation, whichever is soonest). The adjustment in **LF** will be made on a *pro rata* basis to reflect the portion of the year in which the population change was in effect.

- In the case of an annexation, the **LF** calculation will consider the time the annexed area was in the Contracting Party’s jurisdiction and the portion of the year in which the area was not in such Party’s jurisdiction, as well as the relative shift in population (if any) *attributable solely to the annexation* as between all Contracting Parties, by adding (or subtracting) to the **LF** for each Contracting Party an amount that is 20% (reflecting the general allocation of cost under the Agreement based on population) of the *change in population* for each Contracting Party (*expressed as a percentage* of the Contracting Party’s population as compared to the total population for all Contracting Parties) derived by comparing the Final 2013 Estimated Payment population percentage (**LF**) to the population percentage after considering the annexation. The population of an annexed area will be as determined by the Boundary Review Board, in consultation with the annexing city. The population of the unincorporated area within any District will be determined by the County’s demographer.
- In the case of a Latecomer City, the population shall be similarly adjusted among all Contracting Parties in the manner described above for annexations, by considering the change in population between all Contracting Parties *attributable solely* to the Latecomer City becoming a Contracting Party.

Exhibit C-1 shows the calculation of Pre-Commitment **EP** for Service Year 2013, assuming that the County and all Cities that have expressed interest in signing this Agreement as of May 16, 2012, do in fact approve and sign the Agreement and as a result the Minimum Contract Requirements with respect to all such Cities and the County are met per **Section 15**.

Component Calculation Formulas (used in Service Year 2013):

EC is calculated as follows:

$$EC = \{[(C \times .5) \times .8] \times CFS\} + \{[(C \times .5) \times .2] \times D\text{-}Pop\}$$

Where:

"C" is the **Budgeted Net Allocable Control Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Control Services in the Service Year, *less* the Budgeted Total Non-Licensing Revenue attributable to Control Services in the Service Year (for example, fines issued in the field) *and less 17%* of Estimated New Regional Revenues (**"ENR"**). For purposes of determining the Pre-Commitment Estimated Payments for 2013, the Budgeted Net Allocable Control Services Cost is \$1,690,447, calculated as shown on **Exhibit C-3**, and shall be similarly derived to determine the Preliminary and Final Estimated Payment for 2013 and for Service Year 2016 if the Agreement is extended beyond December 31, 2015.

"CFS" is the total annual number of Calls for Service for the Service Year for Control Services originating within the City *expressed as a percentage* of the CFS for all Contract Parties within the same Control District. A Call for Service is defined as a request from an individual, business or jurisdiction for a control service response to a location within the City, or a response initiated by an Animal Control Officer in the field, which is entered into the County's data system (at the Animal Services call center or the sheriff's dispatch center acting as back-up to the call center) as a request for service. Calls for information, hang-ups and veterinary transfers are not included in the calculation of Calls for Service. A response by an Animal Control Officer pursuant to an Enhanced Control Services Contract will not be counted as a Call for Service. For purposes of determining the Estimated Payment in 2013, the Calculation Period for CFS is calendar year 2011 actual data. **Exhibit C-2** shows a preliminary estimate of 2011 CFS used to determine the Pre-Commitment Estimated 2013 Payment; the numbers in this Exhibit C-2 are subject to Reconciliation by June 30, 2012.

"D-Pop" is the **Population** of the City, *expressed as a percentage* of the Population of all jurisdictions within the applicable Control District.

ES for Service Year 2013 is calculated as follows:

If, as of the effective date of this Agreement, the City has entered into a contract for shelter services with the Progressive Animal Welfare Society (PAWS) in Lynnwood, WA, then, for so long as such contract remains in effect, the City will not pay a share of shelter costs associated with shelter usage (“A” as defined below) and instead the Estimated Payment will include a **population-based charge only**, reflecting the regional shelter benefits nonetheless received by such City, calculated as follows (the components of this calculation are defined as described below).

$$ES = (S \times .2 \times Pop)$$

If the City **does not** qualify for the population-based shelter charge only, ES is determined as follows:

$$ES = (S \times .2 \times Pop) + (S \times .8 \times A)$$

Where:

“S” is the Budgeted Net Allocable Shelter Services Cost for the Service Year, which equals the County’s Budgeted Total Allocable Costs for Shelter Services *less* Budgeted Total Non-Licensing Revenue attributable to Shelter operations (i.e., adoption fees, microchip fees, impound fees, owner-surrender fees, from all Contracting Parties) *and less* 27% of Estimated New Regional Revenues (ENR) in the Service Year. For purposes of determining the Pre-Commitment Estimated Payments for 2013, the Budgeted Net Allocable Shelter Services Cost is \$2,707,453, calculated as shown on **Exhibit C-3**, and shall be similarly derived to determine the Preliminary and Final Estimated Payments for 2013 and for Service Year 2016 if the Agreement is extended beyond December 31, 2015.

“Pop” is the population of the City expressed as a percentage of the Population of all Contracting Parties.

“A” is the total number of animals that were: (1) picked up by County Animal Control Officers from within the City, (2) delivered by a City resident to the County shelter, or (3) delivered to the shelter that are owned by a resident of the City *expressed as a percentage* of the total number of animals in the County Shelter during the Calculation Period. For purposes of the 2013 Estimated Payment, the Calculation Period for “A” is calendar year 2011. **Exhibit C-2** shows a preliminary estimate of “A” for 2011 used to determine the Pre-Commitment Estimated 2013 Payments; the numbers in this exhibit are subject to Reconciliation by June 30, 2012.

EL for Service Year 2013 is calculated as follows:

$$\text{EL} = (\text{L} \times .2 \times \text{Pop}) + (\text{L} \times .8 \times \text{I})$$

Where:

“L” is the Budgeted Net Licensing Services Cost for the Service Year, which equals the County’s Budgeted Total Allocable Costs for License Services in the Service Year *less* Budgeted Total Non-Licensing Revenue attributable to License Services (for example, pet license late fees) in the Service Year *and less* 6% of Estimated New Regional Revenues (ENR) in the Service Year. For purposes of determining the Pre-Commitment Estimated Payments for 2013, the Budgeted Net Licensing Cost is \$660,375, calculated as shown on **Exhibit C-3**, and shall be similarly derived to determine the Preliminary and final Estimated Payments for 2013 and for Service Year 2016 if the Agreement is extended beyond December 31, 2015.

“Pop” is the Population of the City expressed as a percentage of the population of all Contracting Parties.

“I” is the number of active paid regular pet licenses (e.g., excluding ‘buddy licenses’ or temporary licenses) issued to City residents during the Calculation Period. For purposes of calculating the Estimated Payment in 2013, the Calculation Period for **“I”** is calendar year 2011. **Exhibit C-2** shows a preliminary estimate of **“I”** to be used for calculating the Pre-Commitment Estimated 2013 Payments; the numbers in this Exhibit are subject to reconciliation by June 30, 2012.

Exhibit C-1

**Regional Animal Services of King County
DRAFT 2013 Estimated Payment Calculation**

Auburn Out, Allocation Method: Population = 20%, Usage = 80%, Three (3) Control Districts: 200, 220, with Control Districts 240 and 260 combined into one (500), costs to districts 25%, 25%, 50%. Usage and Licensing Revenue based on 2011 Preliminary Year End.

OPTION #1

	Control	Shelter	Licensing	Total Allocated Costs (1)	2011 Licensing Revenue (est)	Estimated Net Cost
Budgeted Total Allocable Costs	\$1,770,487	\$2,819,960	\$673,640	\$5,264,087		
Budgeted Non-Licensing Revenue	\$80,040	\$112,507	\$13,265	\$205,812		
Budgeted New Regional Revenue (50%)	\$0	\$0	\$0	\$0		
Budgeted Net Allocable Costs	\$1,690,447	\$2,707,453	\$660,375	\$5,058,275	\$2,480,689	-\$2,577,586

Animal Control District Number	Jurisdiction	Estimated Animal Control Cost Allocation (2)	Estimated Sheltering Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	Program Load Factor (9)	2011 Licensing Revenue (Estimated)	Estimated Net Cost Allocation	2013-2015 Transition Funding (Annual) (5)	2013 - 2015 Shelter Credits (Annual) (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Proposed Licensing Support (7)	Estimated Net Final Cost (8)
200	Carnation	\$4,118	\$3,497	\$1,239	\$8,854	0.1750%	\$4,752	-\$4,102	\$552	\$0	-\$3,550	\$986	-\$2,584
	Duvall	\$11,261	\$15,264	\$5,351	\$31,876	0.6302%	\$21,343	-\$10,533		\$0	-\$10,533	\$7,658	-\$2,875
	Estimated Unincorporated King County	\$83,637	(see total below)	(see total below)	(see total below)		(see total below)	(see total below)	NA	NA	NA	NA	NA
	Kenmore	\$37,911	\$11,592	\$15,423	\$64,926	1.2836%	\$58,602	-\$6,324	\$0	NA	-\$6,324	\$0	-\$6,324
	Kirkland	\$84,595	\$99,626	\$59,940	\$244,162	4.8270%	\$208,000	-\$36,162		\$0	-\$36,162	\$23,853	-\$12,309
	Lake Forest Park	\$22,894	\$7,034	\$12,099	\$42,027	0.8309%	\$48,504	\$6,477	\$0	\$0	\$6,477	\$0	\$6,477
	Redmond	\$37,867	\$54,303	\$32,308	\$124,478	2.4609%	\$116,407	-\$8,071	\$0	\$0	-\$8,071	\$0	-\$8,071
	Sammamish	\$35,341	\$44,214	\$31,129	\$110,684	2.1882%	\$117,649	\$6,965	\$0	\$0	\$6,965	\$0	\$6,965
	Shoreline	\$92,519	\$29,677	\$38,194	\$160,391	3.1709%	\$145,689	-\$14,702	\$0	\$0	-\$14,702	\$0	-\$14,702
	Woodinville	\$12,268	\$6,103	\$7,708	\$26,079	0.5156%	\$29,220	\$3,141	\$0	\$0	\$3,141	\$0	\$3,141
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		\$338,775	\$271,310	\$203,392	\$813,477		\$750,166	-\$63,311	\$552	\$0	-\$62,759	\$32,477	-\$30,282
220	Beaux Arts	\$86	\$167	\$246	\$500	0.0099%	\$930	\$430	\$0	\$0	\$430	\$0	\$430
	Bellevue	\$142,322	\$161,486	\$75,249	\$379,056	7.4938%	\$273,931	-\$105,125		\$0	-\$105,125	\$34,449	-\$70,676
	Clyde Hill	\$1,866	\$3,168	\$1,952	\$6,985	0.1381%	\$7,170	\$185	\$0	\$0	\$185	\$0	\$185
	Estimated Unincorporated King County	\$166,199	(see total below)	(see total below)	(see total below)		(see total below)	(see total below)	NA	NA	NA	NA	NA
	Issaquah	\$53,351	\$46,167	\$16,279	\$115,797	2.2893%	\$55,947	-\$59,850	\$0	\$0	-\$59,850	\$0	-\$59,850
	Mercer Island	\$13,581	\$18,177	\$13,853	\$45,611	0.9017%	\$49,962	\$4,351	\$0	\$0	\$4,351	\$0	\$4,351
	Newcastle	\$16,484	\$12,318	\$4,657	\$33,459	0.6615%	\$15,271	-\$18,188	\$0	\$0	-\$18,188	\$2,599	-\$15,589
	North Bend	\$15,851	\$16,273	\$4,128	\$36,252	0.7167%	\$15,694	-\$20,558	\$1,376	\$586	-\$18,596	\$6,463	-\$12,133
	Snoqualmie	\$12,248	\$11,116	\$6,737	\$30,101	0.5951%	\$25,065	-\$5,036	\$0	\$0	-\$5,036	\$0	-\$5,036
	Yarrow Point	\$625	\$561	\$760	\$1,945	0.0385%	\$2,700	\$755	\$0	\$0	\$755	\$0	\$755
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		\$256,413	\$269,432	\$123,862	\$649,707		\$446,670	-\$203,037	\$1,376	\$586	-\$201,075	\$43,511	-\$157,564
500	Kent	\$263,232	\$794,101	\$69,400	\$1,126,733	22.2750%	\$253,944	-\$872,789	\$110,495	\$495,870	-\$266,424	\$0	-\$266,424
	SeaTac	\$79,732	\$184,894	\$13,311	\$277,938	5.4947%	\$47,232	-\$230,706	\$7,442	\$116,611	-\$106,653	\$0	-\$106,653
	Tukwila	\$49,635	\$110,787	\$9,229	\$169,652	3.3539%	\$32,705	-\$136,947	\$5,255	\$61,987	-\$69,705	\$0	-\$69,705
	Black Diamond	\$8,084	\$14,340	\$2,685	\$25,108	0.4964%	\$10,185	-\$14,923	\$1,209	\$3,263	-\$10,451	\$2,001	-\$8,450
	Covington	\$52,490	\$82,456	\$12,634	\$147,580	2.9176%	\$48,982	-\$98,598	\$5,070	\$36,409	-\$57,119	\$0	-\$57,119
	Enumclaw	\$41,747	\$56,672	\$6,920	\$105,340	2.0825%	\$25,307	-\$80,033	\$11,188	\$28,407	-\$40,438	\$5,973	-\$34,465
	Estimated Unincorporated King County	\$309,089	(see total below)	(see total below)	(see total below)		(see total below)	(see total below)	NA	NA	NA	NA	NA
	Maple Valley	\$41,215	\$68,380	\$15,080	\$124,675	2.4648%	\$56,628	-\$68,047	\$6,027	\$6,867	-\$55,153	\$6,956	-\$48,197
	SUBTOTAL FOR CITIES IN 500 (excludes unincorporated area)	\$536,135	\$1,311,631	\$129,259	\$1,977,025		\$474,983	-\$1,502,042	\$146,686	\$749,414	-\$605,942	\$14,930	-\$591,012
TOTAL FOR CITIES		\$1,131,322	\$1,852,373	\$456,514	\$3,440,209		\$1,671,819	-\$1,768,390	\$148,614	\$750,000	-\$869,776	\$90,918	-\$778,858
Total King County Unincorporated Area Allocation		\$559,125	\$855,080	\$203,861	\$1,618,065	31.9885%	\$808,870	-\$809,195					-\$809,195
		\$1,690,447	\$2,707,453	\$660,375	\$5,058,275	100.00%	\$2,480,689	-\$2,577,586					

Source: Regional Animal Services of King County

Date: Jan 30, 2012 (Draft) Updated 5-7-12

Numbers are estimates only for the purpose of negotiation discussions. The numbers and allocation methodology are subject to change while negotiations are underway.

Exhibit C-1, cont'd.

Notes:

1. Based on various efficiencies and changes to the RASKC operating budget, adjustments for reduced intakes overall, reduced usage with Auburn out, and shifting two positions out of the model (county sponsored), the 2013 Estimated Budgeted Total Allocable Cost has been reduced to \$5,264,087.
2. One quarter of control services costs are allocated to control districts 200 and 220, and one half of control costs are allocated to district 500, then costs are further allocated 80% by total call volume (2011 Calls - Preliminary year end) and 20% by 2011 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 80% by King County shelter volume intake (2011 Preliminary year end) and 20% by 2011 population.
4. Licensing costs are allocated 20% by population (2011) and 80% by total number of Pet Licenses issued (2011) less \$0.00 Sr. Lifetime Licenses.
5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. For additional detail, see 2010 Interlocal Agreement Exhibit C-4 (2013 column) for more information. Transition Funding does not change for years 2013 - 2015.
6. Credits are allocated to those jurisdictions whose shelter intakes per capita exceeded the system average (.0043) and are intended to help minimize the impact of changing the cost allocation methodology from 50% population/50 usage to the new 20% population/80% usage model. See Interlocal Agreement Exhibit C-4 for more detail.
7. New Transition License Funding has been included for certain jurisdictions to help limit the Estimated Net Final Cost to the 2012 estimated level. Receipt of support is contingent on city providing in-kind services and county ability to provide resources and/or recover costs
8. Net Final Costs greater than \$0 will be reallocated to remaining jurisdictions with a negative net final cost, northern cities Net Final Costs shall be inclusive of their PAWS Sheltering costs.
9. Program Load Factor (LF) , per ILA Exhibit C, Part 4, Estimated Payment Calculation Formula, is the City's share of Budgeted Total Net Allocable Costs: it is the City's 2013 Service Year Total Animal Services Cost Allocation expressed as a percentage of the Budgeted Total Net Allocable Costs for 2013. Refer to the ILA for additional details.

Exhibit C-2

**Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions,
Used to Derive the Pre-Commitment 2013 Estimated**

*Source: Wash. St. Office of Financial Management, KC Office of Management and Budget, Regional Animal Services of KC
Date: February 22, 2012*

Proposed District	Jurisdiction	2011 Population	Estimated 2013 Calls	Estimated 2013 Intakes	Estimated 2013 Licenses
200	Bothell				
	Carnation	1,780	13	5	160
	Duvall	6,715	34	23	712
	Estimated Unincorporated King County	65,642	240	(see total below)	(see total below)
	Kenmore	20,780	116	0	2,021
	Kirkland	80,738	230	109	7,855
	Lake Forest Park	12,610	70	0	1,666
	Redmond	55,150	87	47	3,980
	Sammamish	46,940	85	36	3,970
	Shoreline	53,200	281	0	4,967
	Woodinville	10,940	34	0	998
220	Beaux Arts	300	0	0	33
	Bellevue	123,400	317	185	9,380
	Clyde Hill	2,985	3	3	248
	Estimated Unincorporated King County	87,572	418	(see total below)	(see total below)
	Issaquah	30,690	132	58	1,942
	Mercer Island	22,710	21	11	1,727
	Newcastle	10,410	40	13	520
	North Bend	5,830	42	26	535
	Snoqualmie	10,950	27	10	842
	Yarrow Pt	1,005	1	0	100
500	Kent (Includes Panther Lake Annexation)	118,200	614	1,454	8,555
	SeaTac	27,110	200	339	1,544
	Tukwila	19,050	121	200	1,065
	Auburn	0	0	0	0
	Black Diamond	4,160	18	24	340
	Covington	17,640	132	145	1,642
	Enumclaw	10,920	110	101	872
	Estimated Unincorporated King County	100,333	783	(see total below)	(see total below)
	Maple Valley	22,930	89	111	1,919
City Totals		782,785	2,817	2,900	57,593
King County Unincorporated Area Totals		187,905	1,441	1,425	27,175
TOTALS		970,690	4,258	4,325	84,768

Note: Usage data from 2011 activity. License count excludes Senior Lifetime Licenses

Exhibit C-3

Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

This Exhibit Shows the Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs to derive Pre-Commitment Estimated 2013 Payments. All values shown are based on annualized costs and revenues. The staffing levels incorporated in this calculation are for year 2013 only and except as otherwise expressly provided in the Agreement may change from year to year as the County determines may be appropriate to achieve efficiencies, etc.

Control Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of Pre-Commitment Estimated 2013 Control Services Costs is shown below (all costs in 2012 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	\$148,361
2	Direct Service Field Staff Costs	\$725,879
3	Call Center Direct Service Staff Costs	\$229,697
4	Overtime, Duty, Shift Differential and Temp Costs	\$80,891
5	Facilities Costs	\$8,990
6	Office and Other Operational Supplies and Equipment	\$17,500
7	Printing, Publications, and Postage	\$34,000
8	Medical Costs	\$22,500
9	Other Services	\$80,000
10	Transportation	\$141,904
11	Communications Costs	\$38,811
12	IT Costs and Services	\$50,626
13	Misc Direct Costs	\$41,900
14	General Fund Overhead Costs	\$15,842
15	Division Overhead Costs	\$110,490
16	Other Overhead Costs	\$23,096
	2010 Budgeted Total Allocable Control Services Cost	\$1,770,487
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Control Services	\$80,040
18	Less 17% of Estimated New Regional Revenues for 2013	0
	2010 Budgeted Net Allocable Control Services Cost	\$1,690,447

NOTES:

- 4 These additional salary costs support complete response to calls at the end of the day, limited response to emergency calls after hours, and extra help during peak call times.
- 5 Facilities costs include maintenance and utilities for a portion (5%) of the Kent Shelter (which houses the call center staff operations and records retention as well as providing a base station for field officers). Excludes all costs associated with the Crossroads facility.
- 6 This item includes the office supplies required for both the call center as well as a wide variety of non-computer equipment and supplies related to animal control field operations (e.g., uniforms, tranquilizer guns, boots, etc.).
- 7 This cost element consists of printing and publication costs for various materials used in the field for animal control.
- 8 Medical costs include the cost for ambulance and hospital care for animals requiring emergency services.
- 9 Services for animal control operations vary by year but consist primarily of consulting vets and laboratory costs associated with cruelty cases.
- 10 Transportation costs include the cost of the maintenance, repair, and replacement of the animal care and control vehicles and cabs, fuel, and reimbursement for occasional job-related use of a personal vehicle.
- 11 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.
- 12 Information technology direct costs include IT equipment replacement as well as direct services costs. Excludes approximately \$50,000 in service costs associated with mainframe systems.
- 13 Miscellaneous direct costs consist of all animal control costs not listed above including but not limited to contingency, training, certification, and bad checks.
- 14 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.
- 15 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
- 16 Other overhead costs include IT, telecommunications, finance, and property services.
- 17 Non-licensing revenue attributable to field operations include animal control violation penalties, charges for field pickup of deceased/owner relinquished animals, and fines for failure to license.

Shelter Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of Pre-Commitment Estimated 2013 Shelter Services Costs is shown below (all costs in 2012 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	\$214,815
2	Direct Service Shelter Staff Costs	\$1,168,436
3	Direct Service Clinic Staff Costs	\$286,268
4	Overtime, Duty, Shift Differential and Temp Costs	\$159,682
5	Facilities Costs	\$170,814
6	Office and Other Operational Supplies and Equipment	\$94,200
7	Printing, Publications, and Postage	\$20,000
8	Medical Costs	\$127,500
9	Other Services	\$122,500
10	Transportation	\$10,566
11	Communications Costs	\$6,200
12	IT Costs and Services	\$51,360
13	Misc Direct Costs	\$60,306
14	General Fund Overhead Costs	\$113,614
15	Division Overhead Costs	\$176,572
16	Other Overhead Costs	\$37,124
	2010 Budgeted Total Allocable Shelter Services Cost	\$2,819,960
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Shelter Services	\$112,507
18	Less 27% of Estimated New Regional Revenues for 2013	0
	2010 Budgeted Net Allocable Shelter Services Cost	\$2,707,453

NOTES:

- 5 Facilities costs include maintenance and utilities for the majority (95%) of the Kent Shelter (which also houses the call center staff operations and records retention as well as providing a base station for field officers). It excludes all costs associated with the Crossroads facility.
- 6 This item includes the office supplies as well as a wide variety of non-computer equipment and supplies related to animal care (e.g., uniforms, food, litter, etc.).
- 7 This cost element consists of printing and publication costs for various materials used at the shelter.
- 8 Medical costs include the cost for ambulance and hospital care for animals requiring emergency services as well as the cost for consulting vets, laboratory costs, medicine, and vaccines.

- 9 Services for animal control operations vary by year but include costs such as shipping of food provided free of charge and sheltering of large animals.
- 10 Transportation costs include the cost of the maintenance, repair, and replacement of and fuel for the animal care and control vehicles used by the shelter to facilitate adoptions, as well as reimbursement for occasional job-related use of a personal vehicle.
- 11 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.
- 12 Information technology direct costs include IT equipment replacement as well as direct services costs.
- 13 Miscellaneous direct costs consist of all animal care costs not listed above including but not limited to contingency, training, certification, and bad checks.
- 14 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.
- 15 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
- 16 Other overhead costs include IT, telecommunications, finance, and property services.
- 17 Non-licensing revenue attributable to sheltering operations include impound fees, microchip fees, adoption fees, and owner relinquished euthanasia costs.

Licensing Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of Pre-Commitment Estimated 2013 Licensing Services Costs is shown below (all costs in 2012 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	\$52,917
2	Direct Service Licensing Staff Costs	\$346,523
3	Overtime, Duty, Shift Differential and Temp Costs	\$26,295
4	Facilities Costs	\$13,100
5	Office and Other Operational Supplies and Equipment	\$3,300
6	Printing, Publications, and Postage	\$74,600
7	Other Services	\$14,500
8	Communications Costs	\$2,265
9	IT Costs and Services	\$77,953
10	Misc Direct Costs	\$2,000
11	General Fund Overhead Costs	\$9,884
12	Division Overhead Costs	\$39,280
13	Other Overhead Costs	\$11,023
	2010 Budgeted Total Allocable Licensing Services Cost	\$673,640
14	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Licensing Services	\$13,265
15	Less 6% of Estimated New Regional Revenue	-0-
	2010 Budgeted Net Allocable Licensing Services Cost	\$660,375

NOTES:

- 4 Facilities costs include maintenance and utilities for the portion of the King County Administration building occupied by the pet licensing staff and associated records.
- 5 This item includes the office supplies required for the licensing call center.
- 6 This cost element consists of printing, publication, and distribution costs for various materials used to promote licensing of pets, including services to prepare materials for mailing.
- 7 Services for animal licensing operations include the purchase of tags and monthly fees for online pet licensing hosting.
- 8 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.
- 9 Information technology direct costs include IT equipment replacement as well as direct services costs. Excludes approximately \$120,000 in service costs associated with mainframe systems.
- 10 Miscellaneous direct costs consist of all pet licensing costs not listed above including but not limited to training, certification, transportation, and bad checks.

- 11 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.
- 12 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
- 13 Other overhead costs include IT, telecommunications, finance, and property services.
- 14 Non-licensing revenue attributable to licensing operations consists of licensing late fees.

Exhibit C-4

**Calculation and Allocation of Transition Funding Credit ("T"), Shelter Credit ("V"),
and Estimated New Regional Revenue ("ENR")**

A. Transition Funding Credit

The Transition Funding Credit as originally calculated in the 2010 Agreement offset costs to certain Contracting Cities that would have otherwise paid the highest per capita costs for Animal Services in 2010. The credit was scheduled on a declining basis over four years (2010-2013). In this Agreement, the Contracting Cities qualifying for this credit are listed in Table 1 below; these cities will receive the credit at the level calculated for 2013 in the 2010 Agreement for Service Years 2013, 2014 and 2015, provided that, application of the credit can never result in the Estimated Payment Amount being less than zero (\$0) (i.e., cannot result in the County owing the City an Estimated Payment). The allocation of the Transition Funding Credit is shown in **Table 1** below.

Table 1: Transition Funding Credit – Annual Amount to be allocated each year in the period from 2013-2015

Jurisdiction	Transition Funding Credit
Carnation	\$552
North Bend	\$1,376
Kent	\$110,495
SeaTac	\$7,442
Tukwila	\$5,255
Black Diamond	\$1,209
Covington	\$5,070
Enumclaw	\$11,188
Maple Valley	\$6,027

Note: The Transitional Funding Credit is the same regardless of which cities sign the Agreement.

B. Shelter Credit

The Shelter Credit is designed to offset costs for those Contracting Cities whose per capita shelter intakes ("A") exceed the average for all Contracting Parties. A total of \$750,000 will be applied as a credit in each of the Service Years 2013-2015 to Contracting Cities whose per capita average shelter intakes ("A") exceeds the average for all Contracting Parties; *provided that* application of the Shelter Credit can never result in the Estimated Payment amount being less than zero (\$0) (i.e., cannot result in the County owing the City an Estimated Payment.) The 2013 Shelter Credit was determined based on estimated animal

intakes (“A”) for Calendar Year 2011 as shown on **Exhibit C-2**. The \$750,000 was allocated between every Contracting City with animal intakes over the estimated 2011 Program average, based on each Contracting City’s relative per capita animal intakes in excess of the average for all Contracting Parties. The Shelter Credit will be paid at the 2013 level in Service Years 2014 and 2015. The County will consider providing the Shelter Credit in Service Years 2016 and 2017 at the same level as for Service Year 2013.

Table 3: Annual Shelter Credit Allocation—2013 through 2015

City	Shelter Credit
North Bend	\$586
Kent	\$495,870
SeaTac	\$116,611
Tukwila	\$61,987
Black Diamond	\$3,263
Covington	\$36,409
Enumclaw	\$28,407
Maple Valley	\$6,867

C. New Regional Revenue: Estimation and Allocation

Goal

New Regional Revenue for each Service Year shall be estimated as part of the development of the Estimated Payment calculations for such Service Year. The goal of the estimate shall be to reduce the amount of Estimated Payments where New Regional Revenue to be received in the Service Year can be calculated with reasonable certainty. The Estimated New Regional Revenue will be reconciled annually to account for actual New Regional Revenue received, per **Exhibit D**.

Calculation of Estimated New Regional Revenue (ENR)

1. The value of the Estimated New Regional Revenue for Service Year 2013 is zero.
2. For Service Years after 2013, the Estimated New Regional Revenue will be set at the amount the County includes for such revenue in its adopted budget for the Service Year. For purposes of the Preliminary Estimated Payment calculation, the County will include its best estimate for New Regional Revenue at the time the calculation is issued, after first presenting such estimate to the Joint City County Committee for its input.

Application of ENR

1. For Service Years 2013 and 2016, 50% of the Estimated New Regional Revenue is incorporated into the calculations of **EC** and **ES** and **EL** as described in **Exhibit C**, **specifically**:
 - a. 17% of total Estimated New Regional Revenue is applied to reduce the total Budgeted Net Allocable Control Services Cost.
 - b. 27% of total Estimated New Regional Revenue is applied to reduce the total Budgeted Net Allocable Shelter Services Cost.
 - c. 6% of total Estimated New Regional Revenue is applied to reduce the total Budgeted Net Allocable Licensing Services Cost.

These amounts are reconciled as against actual New Regional Revenue (**ENR_A**) in the annual Reconciliation process. In 2014, 2015 and 2017 the 50% is simply deducted against Budgeted Total Allocable Costs to derive Budgeted Total Net Allocable Costs.

2. For each Service Year, the remaining 50% of Estimated New Regional Revenue is first applied to offset County contributions to the Program, in the following order of priority.
 - a. Offset payments made by the County to fund Transition Funding Credits, Shelter Credits, Impact Mitigation Credits (if any) and un-reimbursed Licensing Revenue Support.
 - b. Offset County funding of Animal Services Program costs that are not included in the cost allocation model described in **Exhibit C**, specifically, costs of:
 - i. The medical director and volunteer coordinator staff at the Kent Shelter.
 - ii. Other County-sponsored costs for Animal Services that are not included in the cost models described in **Exhibit C**.
 - c. In the event any of the 50% of Estimated New Regional Revenue remains after applying it to items (a) and (b) above, the remainder ("**Residual New Regional Revenue**") shall be held in a reserve and applied to the benefit of all Contracting Parties as part of the annual Reconciliation process, in the following order of priority:
 - i. First, to reduce *pro-rata* up to 20% of each Contracting Party's Estimated Total Animal Services Cost Allocation (6th column in the spreadsheet at **Exhibit C-1**), thereby reducing up to all cost allocations based on population. This is the factor "**X**" in the Reconciliation formula.
 - ii. Second, to reduce *pro rata* the amount owing from each Contracting Party with net final costs > 0 after consideration of all other factors in the Reconciliation formula.

Offsets described in (a) and (b) above do not impact the calculation of Estimated Payments or the Reconciliation of Estimated Payments since they are outside the cost model. The allocations described in (c) above, if any, will be considered in the annual Reconciliation as described in **Exhibit D**.

Exhibit C-5 Licensing Revenue Support

- A. The Contracting Cities that will receive licensing revenue support in 2013 are listed below (collectively, these nine cities are referred to as the “Licensing Revenue Support Cities”). These Cities have been selected by comparing the estimated 2013 Net Final Costs shown in **Exhibit C-1** to the 2012 Estimated Net Final Cost.² Where the 2013 Net Final Cost estimate was higher than the 2012 estimate, the difference was identified as the 2013 Licensing Revenue Target.
- B. For any Licensing Revenue Support City in **Table 1** whose Preliminary 2013 Estimated Payment is lower than the Pre-Commitment Estimate shown in **Exhibit C-1**, the Licensing Revenue Target (“RT”) and the Revenue Goal (“RG”) will be the reduced by an amount equivalent to the reduction between the Pre-Commitment and Preliminary Estimated Payment amounts for 2013.

Table 1:
2013 Licensing Revenue Support Cities, Licensing Revenue Targets and Revenue Goals*

City	2013 Licensing Revenue Target “RT” (<i>increment</i>)	Base Year Revenue (2011 Estimate per Exhibit C-2) “Base Amount”	Revenue Goal “RG” (<i>total</i>)
City of Carnation	\$966	\$4,752	\$5,718
City of Duvall	\$7,658	\$21,343	\$29,001
City of Kirkland	\$23,853	\$208,000	\$231,853
City of Bellevue	\$34,449	\$273,931	\$308,380
City of Newcastle	\$2,599	\$15,271	\$17,870
City of North Bend	\$6,463	\$15,694	\$22,157
City of Black Diamond	\$2,001	\$10,185	\$12,186
City of Enumclaw	\$5,973	\$25,307	\$31,280
City of Maple Valley	\$6,956	\$56,628	\$63,584

*Amounts in this table are subject to adjustment per Paragraph B above.

- C. The 2013 Licensing Revenue Target (“RT”) is the amount each City in **Table 1** will receive in 2013, either in the form of additional licensing revenues over the Base Year amount or as a **Licensing Revenue Credit (“LRC”)** applied at Reconciliation.

² For Contracting Cities that purchase shelter services from PAWS, the target was based on the Pre-Commitment 2013 Estimated Payment calculated in February 2012 during contract negotiations.

- D. As further described in **Section 7** and **Exhibit C-5**, licensing revenue support services include the provision of County staff and materials support (which may include use of volunteers or other in-kind support) as determined necessary by the County to generate the Licensing Revenue Target.
- E. In 2014 and 2015, any Licensing Revenue Support City or other Contracting City may request licensing revenue support services from the County under the terms of **Exhibit F**. Provision of such services is subject to the County determining it has capacity to perform such services. *Notwithstanding the foregoing*, a Licensing Revenue Support City for which **RT** is in excess of \$20,000 per year may receive licensing revenue support service in all three years, but only if by September 1, 2012, it commits to providing in-kind support in all three Services Years by executing the contract in **Exhibit F** with respect to *all 3 Service Years* (2013, 2014 and 2015). Allocation of licensing revenue support services in 2014 and 2015 will be prioritized first to meet the County's contractual commitment, if any, to a Licensing Revenue Support City that has entered into a 3-year agreement for such service. Thereafter, service shall be allocated to Licensing Revenue Support Cities requesting such service on first-come, first-served basis; and thereafter to any other Contracting City requesting such service on a first-come, first-served basis.

Table 2:
Calculation of Estimated Payments and Licensing Revenue Credits
for Licensing Revenue Support Cities

For Service Year 2013:

- The Estimated Payment calculation will include the 2013 Licensing Revenue Support Target ("RT"), if any, for the City per Table 1 above in the calculation of Estimated Licensing Revenues ("ER") (these amounts are shown in separate columns on **Exhibit C-1**).
- At Reconciliation:
 - For Cities with a **RT** > \$20,000, Actual Licensing Revenue for 2013 ("**AR**₂₀₁₃") will be determined by allocating 65% of Licensing Revenues received (if any) over the Base Amount to determine **AR**₂₀₁₃
 - if Actual Licensing Revenue for 2013 ("**AR**₂₀₁₃") ≥ Revenue Goal ("**RG**"), then no additional credit is payable to the City ("**LRC**" = \$0)
 - If **AR**₂₀₁₃ < **RG**, then the difference (**RG-AR**) is the Licensing Revenue Credit ("**LRC**") included in the Reconciliation Adjustment Amount *provided that*, for Cities whose **RT** > \$20,000, 35% of Licensing Revenues over the Base Amount shall be allocated to *increase* ("**LRC**") when the value of ANFC₀ is being calculated at Reconciliation, *and provided further*, that in all cases **LRC**

cannot exceed the 2013 Licensing Revenue Target for the City.

For **Service Year 2014**, if the City and County have executed a Licensing Support Contract per **Exhibit F**, and the City is therefore providing additional in-kind services in order to generate licensing revenue support in 2014, then:

- The Estimated Payment for 2014 will include Estimated Licensing Revenues calculated at the amount of Actual Revenue (“**AR**”) for 2012 or the Revenue Goal (**RG**), whichever is greater. **RG** will be the amount in Table 1 for Licensing Revenue Support Cities, or such other amount as the Parties may agree in the Licensing Support Contract.
- At Reconciliation:
 - For Cities with a **RT** > \$20,000, **AR**₂₀₁₄ will be determined by allocating 65% of Licensing Revenues received (if any) over the Base Amount to determine **AR**₂₀₁₄
 - If Actual Licensing Revenue in 2014 is greater than the Revenue Goal (**AR**₂₀₁₄ ≥ **RG**), then
 - no Licensing Revenue Credit is payable to the City (**LRC** = \$0), and
 - The County shall charge the City for an amount which is *the lesser of*: (a) the cost of County’s licensing support services in 2014 to the City (as defined in the Licensing Support Contract for 2014), or (b) the amount by which **AR**₂₀₁₄ > **RG**.
 - If **AR**₂₀₁₄ < **RG**, then the difference (**RG** - **AR**₂₀₁₄) is **LRC**. The **LRC** amount is added to reduce the City’s costs when calculating the Reconciliation Adjustment Amount, *provided that*, for Cities whose **RT** > \$20,000, 35% of Licensing Revenues over the Base Amount shall be allocated to *increase* (“**LRC**”) a when the value of **ANFC**₀ is being calculated at Reconciliation, and *provided further* that in all cases **LRC** cannot exceed the 2013 Licensing Revenue Target for the City.

For **Service Year 2015**, the process and calculation shall be the same as for 2014, e.g.: if the City and County have executed **Exhibit F**, and the City is therefore providing additional in-kind services in order to generate Licensing Revenue Support in 2015, then:

- The Estimated Payment for 2015 will include Estimated Licensing Revenues calculated at the amount of Actual Revenue (“**AR**”) for 2013 (excluding **LRC** paid for Service Year 2013) or **RG**, whichever is greater. **RG** will be the amount in **Table 1** for Licensing Revenue Support Cities, or such other amount as the Parties may agree in the Licensing Support Contract.
- At Reconciliation:
 - For Cities with a **RT** > \$20,000, **AR**₂₀₁₅ will be determined by allocating 65% of Licensing Revenues received (if any) over the Base Amount to determine **AR**₂₀₁₅

- If Actual 2015 Licensing Revenue is greater than the Revenue Goal ($AR_{2015} \geq RG$), then
 - no Licensing Revenue Credit is payable to the City ($LRC = \$0$), and
 - The County shall charge the City for an amount which *is the lesser of*: (a) the cost of County's licensing support services in 2015 to the City (as defined in the Licensing Support Contract for 2015), or (b) the amount by which $AR_{2015} > RG$.
- If $AR_{2015} < RG$, then the difference ($RG - AR_{2015}$) is **LRC**. The **LRC** amount is added to reduce the City's costs when calculating the Reconciliation Adjustment Amount; *provided that*, for Cities whose $RT > \$20,000$, 35% of Licensing Revenues over the Base Amount shall be allocated to *increase* ("LRC") when the value of $ANFC_0$ is being calculated at Reconciliation, and *provided further* that in all cases **LRC** cannot exceed the 2013 Licensing Revenue Target for the City.

Exhibit C-6:**Summary of Calculation Periods for Use and Population Components**

This Exhibit restates in summary table form the Calculation Periods used for calculating the usage and population components in the formulas to derive Estimated Payments. *See Exhibit C* for complete formulas and definitions of the formula components.

ER is estimated Licensing Revenue attributable to the City

CFS is total annual number of Calls for Service originating in the City

A is the number of animals in the shelter attributable to the City

I is the number of active paid regular pet licenses issued to City residents

ENR is the New Regional Revenue estimated to be received during the Service Year

Pop is Population of the City expressed as a percentage of all Contracting Parties; **D-Pop** is Population of the City expressed as a percentage of the population of all jurisdictions within a Control District

Calculation Periods -- Service Year 2013

Component	Preliminary Estimated 2013 Payment (published August 2012)	Estimated 2013 Payment (final) (published December 15 2012)	Reconciliation Payment Amount (determined June 2014)
ER (Estimated Revenue)	Actual 2011	Same	Actual 2013
CFS (Calls for Service)	Actual 2011	Same	N/A
A (Animal intakes)	Actual 2011	Same	N/A
I (Issued Pet Licenses)	Actual 2011	Same	N/A
ENR (Estimated New Regional Revenue)	Estimated 2013 (\$0)	Estimated 2013 (\$0)	Actual 2013
Pop, D-Pop (Population)	July 2012 OFM report, adjusted for annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April	Same, adjusted for all annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April 2012 and before the end of 2013	Same, adjusted for all annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April and before the end of 2013

	2012 and before the end of 2013.		
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Calculation Periods: Service Year 2014

Component	Preliminary Estimated 2014 Payment (published September 2013)	Estimated 2014 Payment (published December 2013)	Reconciliation Payment Amount (determined June 2015)
ER	Actual 2012	Same	Actual 2014
CFS	N/A	N/A	N/A
A	N/A	N/A	N/A
I	N/A	N/A	N/A
ENR	Estimated 2014	Estimated 2014	Actual 2014
Pop, D-Pop	July 2012 OFM report, adjusted for all annexations $\geq 2,500$ known to take effect (and Latecomer Cities joining) after April 2012 and before the end of 2014.	Same, adjusted for all annexations $\geq 2,500$ known to take effect (and Latecomer Cities joining) after April 2012 and before the end of 2014	Same, adjusted for all annexations $\geq 2,500$ (and Latecomer Cities joining) occurring after April 2012 and before the end of 2014

Calculation Periods: Service Year 2015

Component	Preliminary Estimated 2015 Payment (published September 2014)	Estimated 2015 Payment (published December 2014)	Reconciliation Payment Amount (determined June 2016)
ER	Actual 2013	Same	Actual 2015
CFS	N/A	N/A	N/A
A	N/A	N/A	N/A
I	N/A	N/A	N/A
ENR	Estimated 2015	Estimated 2015	Actual 2015
Pop, D-Pop	July 2012 OFM report, adjusted for all annexations $\geq 2,500$ known take effect (and Latecomer Cities joining) after April 2012 and before the end of 2015.	Same, adjusted for all annexations $\geq 2,500$ known to take effect (and Latecomer Cities joining) after April 2012 and before the end of 2015	Same , adjusted for all annexations $\geq 2,500$ occurring (and Latecomer Cities joining) after April 2012 and before the end of 2015

If the Agreement is extended past 2015 for an additional 2 years, the calculation periods for 2016 shall be developed in a manner comparable to Service Year 2013, and for 2017

shall be developed in a manner comparable to year 2014.

Exhibit C-7
Payment and Calculation Schedule

Service Year 2013

Item	Date
Preliminary estimate of 2013 Estimated Payments provided to City by County	August 1, 2012
Final Estimated 2013 Payment calculation provided to City by County	December 15, 2012
First 2013 Estimated Payment due	June 15, 2013
Second 2013 Estimated Payment due	December 15, 2013
2013 Reconciliation Adjustment Amount calculated	On or before June 30, 2014
2013 Reconciliation Adjustment Amount payable	On or before August 15, 2014

Service Year 2014

Item	Date
Preliminary estimate of 2014 Estimated Payments provided to City by County	September 1, 2013
Final Estimated 2014 Payment calculation provided to City by County	December 15, 2013
First 2014 Estimated Payment due	June 15, 2014
Second 2014 Estimated Payment due	December 15, 2014
2014 Reconciliation Adjustment Amount calculated	On or before June 30, 2015
2014 Reconciliation Adjustment Amount Payable	August 15, 2015

Service Year 2015

Item	Date
Preliminary estimate of 2015 Estimated Payments provided to City by County	September 1, 2014
Final Estimated 2015 Payment calculation provided to City by County	December 15, 2014
First 2015 Estimated Payment due	June 15, 2015
Second 2015 Estimated Payment due	December 15, 2015
2015 Reconciliation Adjustment Amount calculated	On or before June 30, 2016
2015 Reconciliation Adjustment Amount	August 15, 2016

Payable	
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If the Agreement is extended past December 31, 2015, the schedule is developed in the same manner as described above for years 2016 and 2017.

Additional timelines are in place to commence and complete negotiations for an extension of the Agreement:

County convenes interested Contracting Cities to discuss (1) a possible extension on the same terms and (2) a possible extension on different terms.	September 2014
Notice of Intent by either Party not to renew agreement on the same terms (Cities also indicate whether they wish to negotiate for an extension on different terms or to let Agreement expire at end of 2015)	March 1, 2015
Deadline for signing an extension (whether on the same or amended terms)	July 1, 2015

See Section 4 of Agreement for additional details on Extension of the Agreement Term for an additional two years.

Dates for remittal to County of pet license sales revenues processed by Contracting Cities (per section 3.c)	Quarterly, each March 31, June 30, September 30, December 31
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Except as otherwise provided for Licensing Revenue Support Cities with a Licensing Revenue Target greater than \$20,000/year, requests for **Licensing Revenue Support** in Service Years 2014 or 2015 may be made at any time between June 30 and October 31 of the prior Service Year. (See **Exhibit C-5** for additional detail).

Exhibit D Reconciliation

The purpose of the reconciliation calculation is to adjust payments made each Service Year by Contracting Parties to reflect actual licensing and non-licensing revenue, various credits, and New Regional Revenue, as compared to the estimates of such revenues and credits incorporated in the Estimated Payment calculations, and to adjust for population changes resulting from annexations of areas with a population of over 2,500 (if any) and the addition of Latecomer Cities. To accomplish this, an “**Adjusted Net Final Cost**” (“**ANFC**”) calculation is made each June for each Contracting Party as described below, and then adjusted for various factors as described in this **Exhibit D**.

As noted in **Section 7** of the Agreement, the Parties intend that receipt of Animal Services should not be a profit-making enterprise. When a City receives revenues in excess of its costs under this Agreement (including costs of PAWS shelter service, if applicable), such excess will be reinvested to reduce costs incurred by other Contracting Parties. The cost allocation formulas of this Agreement are intended to achieve this outcome.

Terms not otherwise defined here have the meanings set forth in **Exhibit C** or the body of the Agreement.

Calculation of ANFC and Reconciliation Adjustment Amount

The following formula will be used to calculate the Reconciliation Adjustment Amount, which shall be payable by August 15. The factors in the formula are defined below. As described in paragraphs A and B, the subscript “0” denotes the initial calculation; subscript “1” denotes the final calculation.

$$\text{ANFC}_0 = (\text{AR} + \text{T} + \text{V} + \text{X} + \text{LRC}) - (\text{B} \times \text{LF})$$

- A. If $\text{ANFC}_0 \geq 0$, i.e., revenues and credits are greater than costs (adding the cost factor “W” in the formula for Contracting Cities purchasing shelter services from PAWS or purchasing Enhanced Control Services), **then:**

$\text{ANFC}_1 = 0$, i.e., it is *reset to zero* and the difference between ANFC_0 and ANFC_1 is set aside by the County (or, if the revenues are not in the possession of the County, then the gap amount is payable by the City to the County by August 15) and **all such excess amounts from all Contracting Parties where $\text{ANFC}_0 \geq 0$ are allocated pro-rata to parties for which $\text{ANFC}_1 < 0$** , per paragraph B below. Contracting Parties for which $\text{ANFC}_0 \geq 0$ do not receive a reconciliation payment.

- B. If $ANFC_0 < 0$, i.e., costs are greater than revenues (*without* considering “W” for those Contracting Cities purchasing shelter services from PAWS or purchasing Enhanced Control Services), then the negative dollar amount is not “reset” and $ANFC_1$ is the same as $ANFC_0$. Contracting Parties in this situation will receive a ***pro-rata allocation from the sum of excess revenues from those Parties for which $ANFC_0 \geq 0$*** per paragraph A. In this way, excess revenues are reallocated across Contracting Parties with net final costs.
- C. If, after crediting the City with its *pro rata* share of any excess revenues per paragraph B, $ANFC_1 < \text{Total Estimated Payments made in the Service Year}$, then the difference shall be paid by the County to the City no later than August 15; if $ANFC_1 > \text{Total Estimated Payments made in the Service Year}$, then the difference shall be paid by the City to the County no later than August 15.

Where:

“AR” is **Actual Licensing Revenue** attributable to the City, based on actual Licensing Revenues received from residents of the City in the Service Year, adjusted for Cities with a Licensing Revenue Target $> \$20,000$ as described in **Exhibit C-5**. (License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete address information), will be allocated amongst the Parties based on their respective percentages of total AR).

“T” is the Transition Funding Credit, if any, for the Service Year.

“V” is the Shelter Credit, if any, for the Service Year.

“W” is the actual amount paid by a City receiving shelter services to PAWS for such services during the Service Year, if any, plus the actual amount paid by a City to the County for the purchase of Enhanced Control Services during the Service Year, if any.

“X” is the amount of Residual New Regional Revenue, if any, allocable to the City from the 50% of New Regional Revenues which is first applied to offset County costs for funding Shelter Credits, Transition Funding Credits and any Program costs not allocated in the cost model. The residual is shared amongst the Contracting Parties to reduce *pro-rata* up to 20% of each Contracting Party’s Estimated Total Animal Services Cost Allocation (See column titled “Estimated Total Animal Services Cost Allocation” in the spreadsheet at **Exhibit C-1**).

“LRC” is the amount of any **Licensing Revenue Credit or Charge** to be applied based on receipt of licensing support services. For a Licensing Revenue Support City designated in

Exhibit C-5, the amount shall be determined per **Table 2** of **Exhibit C-5** and the associated Licensing Support Contract, if any. Where a Licensing Revenue Support City is due a Licensing Revenue Credit, the amount applied for this factor is a positive dollar amount (e.g., increases City's revenues in the amount of the credit); if a Licensing Revenue Support City is assessed a Licensing Revenue Charge, the amount applied for this factor is a negative amount (e.g., increases City's costs). For any Contracting City receiving licensing support services per a Licensing Support Contract/ **Exhibit F** other than a Licensing Revenue Support City, **LRC** will be a negative amount (increasing the City's costs) equal to the County's cost of the licensing support set forth in the Attachment A to the Licensing Support Contract.

"B" is the **"Budgeted Total Net Allocable Costs"** as *estimated* for the Service Year for the provision of Animal Services to be allocated between all the Contracting Parties for the purposes of determining the Estimated Payment, calculated as described in **Exhibit C**.

"LF" is the **"Program Load Factor"** attributable to City for the Service Year, calculated as described in **Exhibit C**. **LF** will be recalculated if necessary to account for annexations of areas with a population of 2,500 or more people, or for Latecomer Cities if such events were not accounted for in the Final Estimated Payment Calculation for the Service Year being reconciled.

Additional Allocation of New Regional Revenues after calculation of all amounts

above: If there is any residual New Regional Revenue remaining after allocating the full possible **"X"** amount to each Party (to fully eliminate the population based portion of costs), the remainder shall be allocated on a *pro rata* basis to all Contracting Parties for which $ANFC_1 < 0$. If there is any residual thereafter, it will be applied to improve Animal Services.

Exhibit E

Enhanced Control Services Contract (Optional)

Between City of _____ (“City”) and King County (“County”)

The County will to offer Enhanced Control Services to the City during Service Years 2013, 2014 and 2105 of the **Animal Services Interlocal Agreement for 2013 Through 2015** between the City and the County dated and effective as of July 1, 2012 (the “Agreement”) subject to the terms and conditions as described herein. **The provisions of this Contract are optional to both Parties and shall not be effective unless executed by both Parties.**

- A. The City may request services under two different options, summarized here and described in further detail below:

Option 1: for a period of *not less than one year*, the City may request service from an Animal Control Officer dedicated to the City (“Dedicated Officer”). Such service must be confirmed in writing through both Parties entering into this Enhanced Control Services Contract no later than August 15 of the year prior to the Service Year in which the service is requested.

Option 2: for a period of *less than one year*, the City may request a specified number of over-time service hours on specified days and time from the 6 Animal Control Officers staffing the three Control Districts. Unlike Option 1, the individual officers providing the service will be determined by the County and may vary from time to time; the term “Dedicated Officer” used in context of Option 2 is thus different than its meaning with respect to Option 1. Option 2 service must be requested no later than 60 days prior to the commencement of the period in which the service is requested, unless waived by the County.

The City shall initiate a request for enhanced service by completing and submitting **Attachment A** to the County. If the County determines it is able to provide the requested service, it will so confirm by completing and countersigning **Attachment A** and signing this Contract and returning both to the City for final execution.

- B. The County will provide enhanced Control Services to the City in the form of an Animal Control Officer dedicated to the City (“Dedicated Officer”) as described in **Attachment A** and this Contract.
1. Costs identified in **Attachment A** for **Option 1** are for one (1) year of service in 2010, in 2010 dollars, and include the cost of the employee (salary, benefits),

equipment and animal control vehicle for the employee's use). Costs are subject to adjustment each year, limited by the Annual Budget Inflator Cap (as defined in the Agreement).

2. Costs for **Option 2** will be determined by the County each year based on its actual hourly overtime pay for the individual Animal Control Officers providing the service, plus mileage at the federal reimbursement rate. The number of miles for which mileage is charged shall be miles which would not have been traveled but for the provision of the enhanced service.
 3. Costs paid for enhanced services will be included in the Reconciliation calculation for each Service Year, as described in **Exhibit D** of the Agreement.
- C. Services of the Dedicated Officer shall be in addition to the Animal Services otherwise provided to the City by the County through the Agreement. Accordingly, the calls responded to by the Dedicated Officer shall **not** be incorporated in the calculation of the City's Calls for Service (as further described in **Exhibit C and D** to the Agreement).
- D. The scheduling of work by the Dedicated Officer will be determined by mutual agreement of the contract administrators identified in the Agreement, and (in the case of a purchase of service under **Option 1**) the mutual agreement of officials of other Contracting Cities named as contract administrators that have committed to sharing in the expense of the Dedicated Officer. In the event the parties are unable to agree on scheduling, the County shall have the right to finally determine the schedule of the Dedicated Officer(s).
- E. Control Services to be provided to the City pursuant to this Enhanced Services Contract include Control Services of the type and nature as described under the Agreement with respect to Animal Control Officers serving in Control Districts, and include but are not limited to, issuing written warnings, citations and other enforcement notices and orders on behalf of the City, or such other services as the Parties may reasonably agree.
- F. The County will provide the City with a general quarterly calendar of scheduled service in the City, and a monthly report of the types of services offered and performed.
- G. **For Services purchased under Option 1:** An FTE will be scheduled to serve 40 hour weeks, however, with loss of service hours potentially attributable to vacation, sick leave, training and furlough days, not less than 1600 hours per year will be provided. Similarly, a half-time FTE will provide not less than 800 hours per year. The County

shall submit to the City an invoice and billing voucher at the end of each calendar quarter, excepting that during the 4th quarter of each year during the term of this Contract, an invoice shall be submitted to the City no later than December 15th. All invoiced amounts shall be payable by the City within 30 days of the invoice date.

- H. **For Services purchased under Option 2:** The County shall submit to the City an invoice and billing voucher at the end of each calendar quarter. All invoiced amounts shall be payable by the City within 30 days of the invoice date.
- I. The City or County may terminate this Enhanced Services Contract with or without cause upon providing not less than 3 months written notice to the other Party; provided that, if the City has purchased services under **Option 1** and is sharing the Enhanced Control Services with other Contracting Cities, this Contract may only be terminated by the City if: (1) all such other Contracting Cities similarly agree to terminate service on such date, or (2) if prior to such termination date another Contracting City or Cities enters into a contract with the County to purchase the Enhanced Control Service that the City wishes to terminate; *provided further:* except as provided in Paragraph A.1, a Contract may not be terminated if the term of service resulting is less than one year.
- J. All terms of the Agreement, except as expressly stated otherwise in this Exhibit, shall apply to this Enhanced Control Services Contract. Capitalized Terms not defined herein have those meanings as set forth in the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Enhanced Services Contract to be executed effective as of this ____ day of _____, 201__.

King County

City of _____

Dow Constantine
King County Executive

By:
Mayor /City Manager

Date

Date

Approved as to Form:

Approved as to Form:

Deputy Prosecuting Attorney

City Attorney

Exhibit E: Attachment A**ENHANCED CONTROL SERVICES OPTION REQUEST**

(to be completed by City requesting Enhanced Control Services; final service terms subject to adjustment by County and agreement by City and will be confirmed in writing executed and appended to Enhanced Control Service Contract/Exhibit E)

City _____

Requested Enhanced Control Services Start Date: _____

Requested Enhanced Control Services End Date: _____ *

*term of service must be at least one year, except if purchasing services under Option 2.

Please indicate whether City is requesting services under Option 1 or Option 2:

_____ Option 1:

% of Full Time Equivalent Officer (FTE) requested: _____ (minimum request: 20%; requests must be in multiples of either 20% or 25%)

_____ Option 2:

Overtime Hours purchase from existing ACO staff: ____ hours per (week /month)

General Description of desired services (days, hours, nature of service):

_____.

For Option 1:

Contracting Cities with whom the City proposes to share the Enhanced Control Services, and proposed percentages of an FTE those Cities are expected to request:

_____.

On behalf of the City, the undersigned understands and agrees that the County will attempt to honor requests but reserves the right to propose aggregated, adjusted and

variously scheduled service, *including but not limited to adjusting allocations of service from increments of 20% to 25%*, in order to develop workable employment and scheduling for the officers within then-existing workrules, and that the City will be allowed to rescind or amend its request for Enhanced Control Services as a result of such proposed changes.

Requests that cannot be combined to equal 50% of an FTE, 100% of an FTE, or some multiple thereof may not be honored. Service must be requested for a minimum term of one-year, except as permitted by Paragraph A.1. Service may not extend beyond the term of the Agreement.

City requests that alone or in combination with requests of other Contracting Cities equal at least 50% of an FTE will be charged at the rate in Column 1 below.

City requests that alone or in combination with other requests for Enhanced Control Services equal 100% of an FTE will be charged at the rate in Column 2 below.

Cities may propose a different allocation approach for County consideration.

An FTE will be scheduled to serve 40 hour weeks, however, with loss of hours potentially attributable to vacation, sick leave, training and furlough days, a minimum of 1600 hours per year will be provided. A half-time FTE will provide a minimum of 800 hours per year. *For example*, a commitment to purchase 20% of an FTE for enhanced service will result in provision of not less than 320 hours per year.

Hours of service lost for vacation, sick leave, training and furlough days will be allocated on *pro rata* basis between all Contracting Cities sharing the services of that FTE.

Column 1: Aggregate of 50% of an FTE Requested by all Participating Cities	Column 2: Aggregate of 1 FTE Requested by all Participating Cities
Cost to City: (% of Half-Time FTE requested) x \$75,000/year in 2010*	Cost to City: (% of FTE requested) x \$115,000/year in 2010 *
<i>Example:</i> if City A requests 25% of an FTE ** and City B requests 25% of an FTE**, then each city would pay \$18,750 for Enhanced Control Services from July 1, 2010 through December 31, 2011 (6 months).	<i>Example:</i> If City A requests 25% of an FTE and City B requests 25% of an FTE and City C requests 50% of an FTE, Cities A and B would pay \$14,375 and City C would pay \$28,750 for Enhanced Control Services from July 1, 2010 through December 31, 2011 (6 months)
** (50% of a Half-Time FTE)	

* This example is based on 2010 costs. Actual costs will be based on actual Service Year FTE costs.

For Option 2:

On behalf of the City, the undersigned understands and agrees that the County will confirm what services, if any, it can provide, and at what costs, by completing this Attachment A, and the City must signify whether it accepts the County's offer by signing the Enhanced Services Contract.

Request Signed as of this ____ day of _____, 201__.

City of _____

By: _____

Its _____

To be completed by King County:

____ **Option 1:** The County hereby confirms its ability and willingness to provide Enhanced Control services as requested by the City in this **Attachment A**, *with adjustments as noted below (if any):*

The FTE Cost for the Service Year in which the City has requested service is:
\$_____.

____ **Option 2:** the County confirms its ability to provide control service overtime hours as follows (*insert description — days/hours*):

Such overtime hours shall be provided at a cost of \$_____, (may be a range) per service hour, with the actual cost depending on the individual(s) assigned to work the hours, plus mileage at the federal reimbursement rate.

King County

By: _____

Its _____

Date: _____

Exhibit F

Licensing Support Contract (Optional)

Between City of _____ (“City”) and King County (“County”)

The County is prepared to offer licensing revenue support to the City subject to the terms and conditions described in this Licensing Support Contract (“Contract”). The provisions of this Exhibit are optional and shall not be effective unless this Exhibit is executed by both the City and the County and both parties have entered into the underlying Animal Services Interlocal Agreement for 2013 Through 2015 (the “Agreement”).

- A. **Service Requests, Submittal:** Requests to enter into a licensing support contract should be made by submitting the Licensing Revenue Support Services Request (**Attachment A** to this **Exhibit F**) to the County between June 30 and October 31 of the calendar year prior to year in which such services are requested (“Service Year”). A separate Request shall be submitted for each Service Year, excepting that a Licensing Support City with a revenue target in excess of \$20,000/year may submit a request by September 1, 2012 in order to receive service in all three Service Years (2013, 2014 and 2015).
- B. **County to Determine Service Availability:** The County will determine whether it has capacity to provide the requested service based on whether it has staff available, and consistent with the priorities stated in **Section 7.c** and **Exhibit C-5** of the Agreement.
- C. **Services Provided by County, Cost:** The County will determine the licensing revenue support activities it will undertake to achieve the Licensing Revenue Target. Activities may include, but are not limited to canvassing, mailings, calls to non-renewals. In completing **Attachment A** to confirm its ability to provide licensing support services to the City, the County shall identify the cost for such service for each applicable Service Year. If the City accepts the County’s proposed costs, it shall so signify by countersigning **Attachment A**.
- D. **Services Provided by City:** In exchange for receiving licensing revenue support from the County, the City will provide the following services:
 1. Include inserts regarding animal licensing in bills or other mailings as may be allowed by law, at the City’s cost. The County will provide the design for the insert and coordinate with the City to deliver the design on an agreed upon schedule.

2. Dedicate a minimum level of volunteer/staff hours per month (averaged over the year), based on the City's Licensing Revenue Target for the Year (as specified/selected in Attachment A) to canvassing and/or mailings and outbound calls to non-renewals. City volunteer/staff hour requirements are scaled based on the size of the Licensing Revenue Target per **Table A** below:

Table A: Volunteer/Staff Hours to be Provided by City

If the Licensing Revenue Target for the Service Year is between:	The City shall provide volunteer/staff hours support (averaged over the year)
\$0 and \$5,000	9 hours per month
\$5,001-\$10,000	18 hours per month
\$10,000-\$20,000	27 hours per month
\$20,001 and \$40,000	36 hours per month
>\$40,000	45 hours per month

3. Provide representation at a minimum of two public events annually to inform City residents about the Animal Services Program and promote pet licensing.
4. Inform City residents about the Animal Services Program and promote pet licensing utilizing print and electronic media including the city's website, social media, community brochures and newsletter ads/articles, signage/posters and pet licensing applications in public areas of city buildings and parks.
5. Appoint a representative to serve on the joint City-County marketing subcommittee; this representative shall attend the quarterly meetings of the subcommittee and help shape and apply within the City the joint advertising strategies developed by consensus of the subcommittee.

E. Selection of Licensing Revenue Target and Payment for Licensing Revenue Support:

1. For **Licensing Revenue Support Cities** (those identified in **Exhibit C-5** of the Agreement):
In 2014 and 2015, Licensing Revenue Support Cities may receive licensing revenue support intended to generate total annual Licensing Revenue at or above the Revenue Goal in Table 1 of **Exhibit C-5**. The City will receive a **Licensing Revenue Credit or Charge** at Reconciliation in accordance with the calculations in **Table 2** of **Exhibit C-5**. A Licensing Revenue Support City may request service under subparagraph 2 below.
2. For **all other Contacting Cities**: The City will identify a proposed Licensing Revenue Target in **Attachment A**. The County may propose an alternate Revenue Target. If the Parties agree upon a Licensing Revenue Target, the County shall identify its annual cost to provide service designed to achieve the target. At

Reconciliation, the City shall be charged for licensing support service at the cost specified and agreed in **Attachment A** (the “**Licensing Revenue Charge**”), *regardless of the amount of Licensing Revenue received by the City during the Service Year* (see **Exhibit D** of the Agreement for additional detail).

F. Other Terms and Conditions:

1. Before January 31 of the Service Year, each Party will provide the other with a general calendar of in-kind services to be provided over the course of the Service Year.
2. Each Party will provide the other with a monthly written report of the services performed during the Service Year.
3. Either Party may terminate this Contract with or without cause by providing not less than 2 months’ advance written notice to the other Party; provided that all County costs incurred to the point of termination remain chargeable to the City as otherwise provided.
4. All terms of the Agreement, except as expressly stated otherwise herein, shall apply to this Contract, and Capitalized Terms not defined herein have the meanings as set forth in the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract for Licensing Support Services to be executed effective as of this ____ day of ____, 201__.

King County

City of _____

Dow Constantine
King County Executive

By:
Mayor /City Manager

Date

Date

Approved as to Form:

Approved as to Form:

Deputy Prosecuting Attorney

City Attorney

Exhibit F: Attachment A
LICENSING REVENUE SUPPORT SERVICES REQUEST

(to be completed by City requesting licensing support services; one request per Service Year except for a Licensing Support City with a Licensing Revenue Target over \$20,000/year; final terms subject to adjustment by County and agreement by City confirmed in writing, executed and appended to the Contract for Licensing Support Services—**Exhibit F** of the *Animal Services Interlocal Agreement for 2013 Through 2015* (“the Agreement”) dated effective as of July 1, 2012.)

1. City _____ Date of Request: _____
2. Licensing Revenue Target (the amount by which the City seeks to increase its revenues in the Service Year): \$_____

Note:

- For Licensing Revenue Support Cities, the Licensing Revenue Support Target is defined in **Table 1** of **Exhibit C-5** of the Agreement, unless the Parties otherwise agree.
 - The amount of volunteer/staff hours and other in-kind services required of the City in exchange for receipt of licensing support services is based on the size of the Licensing Revenue Target (see Licensing Support Contract/**Exhibit F** of Agreement).
3. Contact person who will coordinate City responsibilities associated with delivery of licensing support services:
 Name:
 Title:
 Phone:
 Fax:

I understand that:

- A. provision of licensing revenue support services is subject to the County determining it has staff available to provide the services;
- B. For Contracting Cities other than Licensing Revenue Support Cities, the County may propose an adjustment in the requested Licensing Revenue Target;
- C. the County will, by September 1 of the current calendar year, provide the City with a firm cost to provide the amount of licensing support services the County proposes to provide by completing this **Attachment A**;
- D. the County cannot verify and does not guarantee a precise level of Licensing Revenues to be received by the City as a result of these services;

- E. Receipt of service is subject to County and City agreeing on the Licensing Revenue Target and County charge for these services (incorporated in calculation of the **Licensing Revenue Credit/Charge** per the Agreement), and executing the Licensing Support Contract (**Exhibit F** of the Agreement).

Request signed as of this ____ day of _____, 201__.

City of _____

By: _____

Its: _____

To be completed by King County:

The County offers to provide the City licensing revenue support services in Service Year 201__ intended to generate \$_____ (the "Licensing Revenue Target") in additional Licensing Revenue for a total Service Year cost of \$_____, some or all of which cost may be charged to the City in calculating the Licensing Revenue Charge, as further described in the Licensing Support Contract and **Exhibits C-5** (for Licensing Support Cities) and **D** of the Agreement.

King County

By: _____

Its: _____

Date: _____

To be completed by the City:

The County offer is accepted as of this ____ day of _____, 201__.

City of _____

By: _____

Its: _____

ATTACHMENT 2 – Expenditure Restriction and Provisos

"ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$66,544 must be expended and 1.00 FTE used solely for activities to be performed by the Administrative Specialist 3 added by this ordinance, as requested by the executive, to support of the processing of notice and order violations and associated fee/fine collection, and to respond to public records requests.

The executive must certify to the council that the amount of revenues received in payment of notice and order violations and associated fee/fine collection that are directly attributable to the services performed by the Administrative Specialist 3 exceeds \$41,000 as of June 30, 2012. If the certification is not transmitted, then, as of August 31, 2012, the expenditure and FTE authority for the Administrative Specialist 3 position shall lapse and no funds shall be expended after that date.

The executive must transmit certification required by this expenditure restriction by July 15, 2012, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the government accountability and oversight committee or its successor. Upon receipt, the clerk shall provide a proof of receipt to the director of the office of performance, strategy and budget."

"P1 PROVIDED THAT:

Of this appropriation, \$175,000 shall not be expended or encumbered until the executive transmits the reports required by this proviso and, for the final \$75,000, the executive transmits a motion stating that the executive has responded to the proviso that references the proviso's ordinance, section and number and the motion is adopted by the council.

The reports shall be quarterly, detailing the revenues derived from pet license notice and orders violations issued in 2012. Each report shall include, but not be limited to: 1) the type of pet license violation issued, such as altered and unaltered pet; 2) the amount of the civil penalty; 3) the date the violation was issued; 4) whether the civil penalty was paid; 5) any late fee received; and 6) whether the fees and civil penalties have been sent to collections. Regional animal services of King County shall, in consultation with council staff, develop a template for quarterly reporting.

The first report, reporting on the first quarter of 2012, must be submitted by April 30, 2012; the second report, reporting on the second quarter of 2012, must be submitted by July 30, 2012; and the third report, reporting on the third quarter of 2012, must be submitted by October 30, 2012. Upon transmission of each of the first two reports, \$50,000 shall be released for expenditure. For the third report, the final \$75,000 of the expenditure restriction is released for expenditure after the executive transmits a motion that states that the executive has responded to the proviso and references the proviso's ordinance, section and number and the motion is adopted by the council.

If any report is not transmitted by the date required in this proviso, the appropriation authority associated with that quarterly report shall lapse.

The reports and motion required to be transmitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the government accountability and oversight committee or its successor. Upon receipt of the first two quarterly reports, the clerk shall provide a proof of receipt to the director of the office of performance, strategy and budget."

"P2 PROVIDED FURTHER THAT:

Of this appropriation, \$250,000 shall not be expended or encumbered until the executive transmits a revised regional animal services financial plan, a report and a motion that acknowledges receipt of the revised financial plan and report that references the proviso's ordinance, section and number and the motion is adopted by the council.

In June 2010, the county adopted the policies that created the regional animal services of King County program. This new organization was intended to establish, through properly aligned financial incentives, partnerships to increase revenue, economies of scale, a consistent regulatory approach across participating jurisdictions and collaborative initiatives to reduce the homeless animal population, a regional model for animal services to provide for better public health, safety, animal welfare and customer service outcomes based on a full-cost recovery from participating jurisdictions. Reliance on the county general fund for support of this program was expected to decrease as the program evolved. However, just prior to the executive transmitting the 2012 proposed budget, the city of Auburn informally communicated that they would not continue to participate in the regional model after January 1, 2013. The timing of Auburn's announcement was too late to effectively be considered in the 2012 Proposed Budget. The executive proposed 2012 budget included a financial plan that projects revenues from the city of Auburn in 2013 and thereafter. The current financial plan also includes expected revenues from the animal bequest fund and civil penalties and fees from regulatory enforcement that have not been justified by past, actually received revenues. Additionally, this ordinance includes a new position in 2012 to be solely supported by the general fund.

With the loss of the city of Auburn as a participating city, the increase of FTEs funded solely by the general fund and unjustifiable revenue projections in the current financial plan, the required financial plan and report are expected to inform the council on the executive's plan to make the program fiscally sustainable and still attain the level of service expected at its creation.

The report and financial plan shall include, but not be limited to: 1) a description of the aligned financial incentives, partnerships to increase revenue, economies of scale, a consistent regulatory approach across participating jurisdictions and collaborative initiatives that have been undertaken and their effectiveness at developing a fiscally sustainable program; 2) the status of interlocal agreement renewal discussions with each city participating in the

program; 3) the level of cost recovery each current participating city actually pays for services rendered; 4) the status of discussions with other jurisdictions or entities to join the program and the expected level of cost recovery level from each; 5) qualitative and quantitative analysis explaining the expected revenues for 2012 through 2015, including a detailed analysis of each revenue source; 6) a description of all program elements supported by the general fund including but not limited to salary differentials, FTE positions and other county services; 7) a strategy and timeline for implementing a sustainable, long term regional animal services program that reflects the values and interest of King County and its regional partners based on a full cost reimbursement model; and 8) a revised financial plan that reflects the analysis required by this report.

The executive must file the report, financial plan and motion required by this proviso by June 30, 2012, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the transportation, economy and environment committee or its successor."

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Animal Services Interlocal Agreement Summary of Terms

Document Dated May 17, 2012

This document provides a section by section summary of the proposed Animal Services Interlocal Agreement. It is not intended as a comprehensive interpretation of the Agreement: for complete terms and conditions, please refer to the Agreement.

Generally: This Agreement will succeed the existing animal services agreements that have been in place since July 1, 2010. The existing agreement will expire December 31, 2012. The Agreement will go into effect on July 1, 2012, although services under this new Agreement will not begin until January 1, 2013. The six month overlap of the existing and new agreements simply ensures that various notices and bills will be sent on a timely basis in preparation for services beginning next January. Services provided under the Agreement are divided into three categories: control (officers responding to events in the field); shelter; and licensing. Cities must purchase all three services. Costs of animal service are generally allocated among the parties based on two factors: population (20%) and system use (80%). All pet licensing revenues are credited to the jurisdiction in which they are generated as an offset against costs otherwise payable, except that revenues received in excess of costs will be redistributed within the system to benefit all parties. Three types of subsidies are offered to various cities based on specified criteria, in order to mitigate impacts of the cost allocation model.

Cities have been requested to provide two separate statements of interest leading up to the circulation of the final form of Agreement. This is because the Animal Services system costs are to be divided among all participating jurisdictions: if some cities that indicated they were interested ultimately decide not to sign the Agreement it will impact the costs for the remaining parties. If, as a result of some cities not signing the Agreement, the estimated 2013 costs for a City that has signed the Agreement increase by more than 5% or \$3,500 (whichever is greater), the Agreement will not go into effect unless the City waives the limit.

A section by section summary of the Agreement follows:

Recitals. The Recitals note the benefits of a regional animal services system and the authorities for entering into the Agreement. Cities specifically requested recitals indicating the intent to include them in discussions of new regional revenues.

Section 1. Definitions. Key definitions are set forth in this section. Other definitions appear in Exhibit C (describing the payment formula, summarized below).

Section 2. Services Provided. The County will provide the City with Animal Services, which include Control Services, Shelter Services and Licensing Services, all as described

in Exhibit A (summarized below). A City may request Enhanced Control Services, as detailed in Exhibit E (summarized below) and License Revenue Support Services, as detailed in Exhibit F (summarized below).

Section 3. City Obligations. Cities will adopt animal codes with substantially similar license, fee, penalty, enforcement, redemption, impound and sheltering provisions as the County Code, (as now in affected or later amended). The City authorizes the County to enforce these City codes and carry out animal licensing and certain administrative appeals. The City retains independent enforcement authority. The City will help promote pet licensing and will transmit any pet licensing revenue received to the County quarterly.

Section 4. Term. The term for providing service under the Agreement is 3 years (January 1, 2013-December 31, 2015). The Agreement cannot be terminated for convenience. There is an optional 2-year extension: notice of intent *not* to extend the Agreement must be received by March 1, 2015. The County will convene all Parties to discuss extension under the same or amended terms in September 2014. The County may sign agreements with latecomers, provided the addition of the latter agreement does not cause a negative fiscal impact to the city parties. The 2010 agreement stays in effect through December 31, 2012. A limited re-opener is included to adjust revenue and cost allocation provisions of the Agreement if there is a proposal for a voter approved regional measure for animal services that would result in imposition of new tax revenues prior to December 31, 2016. Termination of the Agreement is allowed by any party if such a measure is proposed and certified as approved.

Section 5. Compensation. Cities will pay for animal services every six months, based on the estimated cost of those services (derived from use and revenue data, and the most recent budget data). In 2013, the cost is established based on the formula of use and population. In 2014 and 2015, in order to provide more predictability of costs for all parties, the 2013 base cost will be adjusted based on the 2013 proportionate share of net allocable system costs: this share of costs may be adjusted in 2014 and 2015 to account for major annexations ($\geq 2,500$ population) or latecomer cities. If a City generates more licensing revenue than the service costs (including cost for cities using PAWS and the cost of Enhanced Control Services), the revenues are redistributed to the benefit of all other parties.

Section 6. Reconciliation of Estimated Payments and Actual Costs and Revenues. Every June, a reconciliation amount will be calculated to determine the difference between the Estimated Payments made, and the total actual revenues city payments received. Any "Reconciliation Adjustment Amounts" determined to be owed are due August 15 of the following year.

Section 7. Regional Revenue Generation and Licensing Revenue Support Services.

The parties intend to work towards a significantly more financially sustainable system into the future. The County will develop proposals and work with the joint city-county committee before proceeding with new regional revenue proposals. The County is providing licensing revenue support assistance to nine cities in 2013 to increase their licensing revenues. The assistance is based on the gap in licensing revenues that would need to be filled to assure 2013 net costs do not exceed 2012 net costs. To receive this assistance in 2014 and 2015, cities must sign an agreement to provide increased levels of in-kind support, and the County must have staff capacity to provide the service. All other cities may also sign an agreement for such support in 2014 and 2015 if the County has staff capacity (priority will go to the nine original cities). Cities with licensing revenue targets over \$20K/year (Kirkland, Bellevue) may be assured of the assistance in all 3 years and will be provided with an incentive for the city to help increase license revenues, by signing an agreement to provide the higher level of in-kind support for all 3 years. If licensing revenues received exceed the revenue goal amount established in Exhibit C-5, the County's costs of providing such service are recouped before additional revenues are allocated to the city (subject to details provided in C-5 and Exhibit F).

Section 8. Mutual Covenants/Independent Contractor. The County is an independent contractor and County staff providing services are not deemed City employees. The County is responsible for the performance of its personnel.

Section 9. Indemnification and Hold Harmless. Cross indemnifications are included. The County is responsible for validity of its codes but is not responsible for City code provisions that are in effect at the time the Agreement takes affect or that differ from those of King County.

Section 10. Dispute Resolution. The parties will first meet together to attempt to resolve any disputes. If this is not successful, it may be followed by mediation (binding or nonbinding as parties choose). Mediation costs are to be shared equally by the parties.

Section 11. Joint City-County Committee and Collaborative Initiatives. An advisory group composed of three county representatives and one representative from each contracting City is created to review operational and policy issues and make recommendations regarding same. Initiatives to be pursued include but are not limited to: updating the animal services code to enhance revenues and compliance incentives; exploring service delivery efficiencies; studying options for repair or replacement of the Kent shelter; reviewing the annual reconciliation calculations; collaborating on response and service improvements; providing input on Animal Control Services response protocols; and identifying, discussing and where appropriate, recommending actions to implement ideas to generate additional system revenue.

Section 12. Reporting. The County will provide the City with reports not less than monthly summarizing call response and system usage data for each City and the County as well as the Animal Services system as a whole. The form and contents of the report will be developed in consultation with the Joint City-County Committee.

Section 13. Amendments. Amendments that do **not** affect payment responsibilities, indemnification, duration or termination of the Agreement may be approved by the County and two-thirds of all Contracting Cities (in number and percentage of total Estimated Payments made); other Amendments require unanimous approval.

Section 14. General Provisions. This section includes standard “boilerplate” provisions—severability, force majeure, notices, records, venue, etc.

Section 15. Terms to Implement Agreement. Because it is unknown how many Parties will ultimately approve the Agreement and any City declining to sign will impact the cost for all others, this Section limits the amount by which a Party’s costs for 2013 (estimated) may increase and still have the Agreement go into effect as proposed. These limits may be waived by the City (or the County, as applicable). Depending on which of these tests are met or waived, an Agreement may go into effect for the full requested term. If none of the tests are met (or waived) the Agreement will not go into effect.

Exhibit A: Animal Services Description

Control Services

- The Call Center for the public or cities requesting a response by an Animal Control Officer will operate five days per week, at least 8 hours a day. After hours, callers will hear a recording directing calls to 911 or asking the caller to leave a message for response the next business day.
- The County will be divided into 3 geographic Control Districts that will be staffed by 6 animal control officers, with a goal of providing service by at least one officer in each Control District, except as staffing availability is reduced due to vacation, sick leave, training, etc, for not less than 40 hours per week, with the intent to include coverage for at least one weekend day.
- Calls are classified by priority. The County will use its best efforts to ensure all High Priority Calls are responded to during regular animal control officer hours on the day received.
- Additional control resources will be available regionally, including an animal control sergeant providing oversight, staff will be available to investigate cases, and at least one officer will be on call after regular service hours for emergency response.
- Cities can opt to contract for “enhanced control services” (See Exhibit E for terms of service).

Shelter Services

- Shelter for animals will be provided at the existing Kent Shelter. The public service counter at the Kent Shelter will be open not less than 30 hours a week.
- Some cities in North King County will continue to contract for shelter services with the Progressive Animal Welfare Society (PAWS) located in Lynnwood; for such Cities, the County will deliver cats and dogs picked up in these jurisdictions to the PAWS shelter and will not provide routine sheltering for their cats and dogs.

Licensing Services

- The County will operate and maintain a unified pet licensing system for Contracting Cities. The County will seek private sector partners to advertise/encourage licensing and will provide licenses and application forms and materials to Cities to use in selling licenses. The County will mail annual renewal forms and a reminder and late notice as applicable to the last known address of all persons who purchased a pet license in the previous year. There will be limited sales and marketing efforts to maintain and increase license sales.

Exhibit B: Control Service District Maps

The three Control Districts have boundaries as shown by the maps in Exhibit B.

Exhibit C: Calculation of Estimated Payments

This exhibit provides the detailed formulas and definitions to be used to calculate the Estimated Payments each year. In general, these formulas may be described as follows:

- The Estimated Payment(s) for each Service Year are derived from allocating the budgeted Animal Services costs (net of estimated non-licensing revenue) using historical use, population and licensing data.
- From year to year, the total allocable costs for all Contracting Parties (before considering any offsetting revenue) cannot increase by more than the combined total rate of inflation (based on the CPI-U for Seattle, Tacoma Bremerton) and rate of population growth in the combined service area (the "Annual Budget Inflation Cap").
- For 2013 calculation of costs:
 - **Control Services** costs are shared by the 3 geographic Control Districts, with 25% allocated each to Districts 200 and 220 and 50% to District 500. Each Contracting Party located within a Control District is allocated a share of Control District costs based 80% on the Party's relative share of total Calls for Service within the Control District and 20% on its relative share of total population within the Control District.
 - **Shelter Services** costs are allocated among all Contracting Parties based 20% on their relative population and 80% on the total shelter intake of animals attributable to each Contracting Party, except that Cities

contracting for shelter services with PAWS will pay only a population-based charge.

- **Licensing Services** costs are allocated among all Contracting Parties based 20% on their relative population and 80% on the number of licenses issued to residents of each Contracting Party.
- **For 2014-2015 Calculating of Costs:** In 2014 and 2015, in order to provide more predictability of costs for all parties, the 2013 base cost will be adjusted based on the proportionate share of net allocable system costs (adjusted for the Annual Budget Inflator Cap: CPI + population growth). The proportion stays the same through all years, except for adjustments to account for population changes due to annexations over 2,500 and for latecomers.
- **For all years: Licensing revenue** is to be attributed based on the residency of the individual purchasing the license. The amount of licensing revenue estimated to be generated from the **Licensing Revenue Support Services** (per Section 7 of the Agreement) is included in the calculation of the Estimated Payment each year.
- Each Estimated Payment covers the cost of six months of Animal Services.
- Two credits are applicable to various cities to reduce the amount of their Estimated Payments: a **Transition Funding Credit** (for cities with high per-capita costs); a **Shelter Credit** (for cities with high usage compared to population). Application of these Credits is limited so the Estimated Payment cannot fall below zero (before or after the annual reconciliation calculation). The credit amounts remain fixed for all years of the Agreement.
- Estimated Payments are reconciled to reflect actual revenues. The reconciliation calculation occurs in June of the year following the Service Year. The reconciliation calculation and payment process is described in **Exhibit D**. The receipt of Transition Funding Credits, Shelter Credits, or License Revenue Support can never result in the amount of the Estimated Payments as reconciled falling below \$0.

Exhibit D: Reconciliation

The purpose of the reconciliation is to adjust payments made for a Service Year to reflect actual licensing revenue and non-licensing revenue all as compared to the initial calculation of Estimated Payments. A reconciliation calculation is made each June substituting actual revenues. If the calculation shows that the City's payment should be greater than its estimated payment, the City will remit the difference to the County by August 15. If the reverse is true, the County will remit the difference to the City by such date.

Exhibit E: (Optional) Enhanced Control Services Contract

Cities may purchase enhanced control service. Two options are available: Service hours requested (alone or in combination with other cities) must equal work for at least a half-time equivalent employee or a full time equivalent (or multiples thereof); or a city may purchase services on an hourly basis with advance notice. Attachment A to Exhibit E is a short form for Cities to complete if they wish to request enhanced service.

Exhibit F: (Optional) License Revenue Support Contract

Cities may purchase license revenue support service. The County will provide specialized marketing and support services to generate an agreed target amount of revenue; if actual revenues fall short of the total revenue goal, the County will make up the difference in the form of a credit. Cities must provide specific, increased level of in-kind services to aid in the revenue generation efforts. This service is available for all cities subject to county ability to provide such services; however, preference is given to the nine identified License Revenue Support cities. Cities with over \$20,000 in identified License Revenue Support are guaranteed the three year service option if they sign the Optional Contract (and commit to the increased in-kind support) prior to September 1, 2012. The Contract allows for County recovery of costs. Attachment A to Exhibit F is a short form for Cities and the County to complete if a city wishes to receive License Revenue Support in 2014 and 2015.

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King County
Dow Constantine
 King County Executive

Regional Animal Services of King County Roadmap for Reform Accomplishments May 2012

The 2010 Roadmap for Reform of King County animal services began with creation of a new regional animal services model jointly developed by King County and its city partners. The model preserved a regional service approach, which best provides for public health, safety, customer service and animal welfare. Highlighted below are a number of the improvements made since the initial 2010 roadmap.

Managerial and Operational Improvements

- ✓ The County implemented a new model for Regional Animal Services of King County (RASKC) by entering into new contracts with cities. The initial two-year agreement is expiring at the end of 2012, and work began in 2011 to negotiate a replacement agreement with cities.
- ✓ The County has put in place a new animal services management team that is taking a more proactive role in the operations of the shelter, the prevention and investigation of animal cruelty and implementing other actions to improve animal welfare.
- ✓ RASKC has improved animal services data collection and management through technology upgrades that support real-time access to data in the field and more robust tracking of animals in the shelter. Implementation was completed in 2011, with training, feature upgrades and added reporting in continuous development due to the flexible and open nature of the technology employed.
- ✓ RASKC has improved animal care and service delivery through continuous review and development of procedures to guide shelter and field operations, and provision of ongoing staff training.
- ✓ Regional Animal Services continues to work with other organizations, including feral cat groups, spay/neuter organizations, non-profit shelters and other government agencies to reduce the homeless animal population in our region. One measure of the value of these partnerships is the reduction by 78.4% in the number of animals euthanized for behavioral reasons. The number of animals euthanized for behavioral reasons has declined from 850 in 2009 to 184 in 2011.
- ✓ RASKC is continuing efforts to fund better outcomes for animals using donations.

- ✓ A plan for the development of new regional sheltering space to ultimately replace the capacity provided by the Kent shelter was evaluated and put on hold pending efforts to find funding and develop a sustainable long-term contractual relationship with cities.
- ✓ Management worked with the Animal Control Officers Guild to develop creative and responsive solutions to improve efficiency and effectiveness. The bargaining unit agreed to forego cola for 2011 and 2013 and to restructure the compensation for the employees working in the pet adoption center. These negotiated changes were instrumental to our ability to provide cost effective regional animal control services to the residents of King County

Animal Sheltering and Welfare

- ✓ The euthanasia rate has declined dramatically since 2009. The rate decreased from 17.6% of intakes in 2009, to 14.3% of intakes in 2011. The live release rate went from 78.9% in 2009 to 83.2% in 2011.
- ✓ RASKC has filled the second operations manager position to work with community partners, develop operating procedures and ensure that those procedures are followed. This manager provides cities with monthly statistics about shelter and field services provided under the terms of the Interlocal Agreement. The reports include response times, summaries of activities, and the number and reasons for shelter intakes and shelter outcomes. Licensing revenues are also provided for tracking purposes.
- ✓ RASKC has filled the full-time volunteer coordinator position. This has enabled greater recruitment and support for volunteer involvement throughout the agency. Volunteers now provide expanded animal care duties and assist in our veterinary clinic
- ✓ A veterinary medical director position and two additional veterinary technician positions have been established to provide a higher level of care in the Kent shelter. The number of animals that died in care (including neonate foster animals) has decreased steadily since 2009. In 2009, 3.38% of intakes died in care, in 2011 that number dropped to 1.84%.
- ✓ RASKC has made improvements to existing facilities to prevent overcrowding, noise, and the spread of disease. We have managed the population at the Kent shelter within available resources to ensure proper care for animals. Two isolation trailers were added for treatment of feline upper respiratory infections, and a dog isolation space was added.
- ✓ RASKC is providing a more consistent level of care at the Kent shelter by consolidating all staff at one facility. The Eastside shelter was decommissioned as a sheltering location in 2010 and the lease expired in 2011, when the remaining field activities were consolidated.

- ✓ Staffing for the peak summer season has been improved with the use of seasonal help. Shelter capacity has also been increased with the creation of a foster care coordinator position and the use of more foster homes. In 2009 19.88% of animal intakes were cared for in foster care. In 2011, 27.37% of intakes were fostered.
- ✓ Increased adoption activities including lowering adoption fees during peak season, making use of social media and press releases to communicate with the public.
- ✓ RASKC has continued to develop partnerships with other animal welfare organizations to take animals for adoptions on a regular basis. In 2009, 16.93% of animal intakes were transferred to other organizations. In 2011, 17.36% of animals were transferred.
- ✓ Euthanasia of feral cats has declined 91.6% - largely due to volunteer efforts.

Animal Control & Animal Cruelty

- ✓ RASKC has implemented procedures with the King County Sheriff's Office and other police agencies to respond quickly and more effectively to potential animal cruelty cases and issues of public safety, and engage police earlier in the investigation of serious cases. Quarterly meetings are held with law enforcement from each district to improve services, coordination and emerging issues.
- ✓ RASKC has developed better training for animal control officers to complete a preliminary review of cases reported by the public as animal cruelty. This allows our cruelty investigator to focus on substantiated cases, and not use limited resources on unsubstantiated cases.
- ✓ RASKC has implemented new policies and training for police dispatchers for callout of animal control officers for after-hours emergencies.
- ✓ RASKC has improved case management with the King County Prosecuting Attorney regarding animal cruelty cases.
- ✓ The County has installed laptops in animal control trucks for real-time access to, and entry of, dispatch and other data.
- ✓ RASKC continues to refine and establish procedures to systematically identify all new animal cruelty calls.
- ✓ Additional work is underway to establish operating bases in north and/or east county to provide consistent field services and a better connection with and accountability to these areas of the county.

Pet Licensing

- ✓ RASKC has established a “no-tolerance” policy for enforcement of pet licensing. Citations for offenses include added penalties when animals are not licensed.
- ✓ Pet licensing effectiveness has improved with increased sales from 2011 to 2012. January 2011 to April 2012 comparison shows a 20% increase in license sales (\$818k vs \$690k).
- ✓ RASKC has increased use of on-line transactions for license renewals and promoted on-line sales for new licenses.
- ✓ Credit card transaction capabilities are in place at the Kent shelter location. Work to provide a field credit card acceptance method is being developed.

Next Steps

The proposed (2013-2015) Interlocal Agreement contains contract language to continue the collaboration efforts between the County and cities. Specifically, a Joint City-County Committee is defined to work on collaborative initiatives and identify recommendations for improving the efficiencies and improvements of services.

May 21, 2010

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

I am pleased to transmit to the Council a legislative package that provides for continuation and further stabilization of the regional program for animal services in King County. This agreement builds on the achievements made by the Regional Animal Services of King County (RASKC) program over the past two years and provides a solid platform to move towards sustainability into the future. Continuation of the RASKC program demonstrates a collaborative partnership with cities to deliver an effective and efficient service for the residents and animals of King County.

The RASKC leadership and staff have accomplished a great deal in the past two years, with improvements in the following areas:

- the euthanasia rate has declined dramatically since 2009, decreasing from 17.6% of intakes in 2009, to 14.3% of intakes in 2011;
- new procedures with the King County Sheriff's Office and other police agencies have been implemented to respond quickly and effectively to potential animal cruelty cases and issues of public safety;
- pet licensing effectiveness has improved with increased sales from 2011 to 2012 and a higher percentage of transactions are being conducted on-line;
- numerous operational improvements have been made at the Pet Adoption Center, including providing increased capacity for both cat and dog isolation areas;
- RASKC expanded collaborative efforts with City partners – resulting in both reporting and operational improvements; and
- RASKC has also significantly expanded the foster care program and increased the utilization of volunteers – all of which directly improve the care of animals while achieving greater efficiency and effectiveness.

Amended and Successor Agreement for 2013-2015

While tremendous progress has been made in the past two years to stabilize the regional program and cities have expressed satisfaction with the services, I recognize there is more work to be done to reach sustainability. When the County staff began meeting with city representatives to discuss a successor agreement to carry the regional partnership beyond 2012, nearly all parties recognized that more time was needed to truly achieve the goals of reforming the system and providing revenue sustainability beyond the term of the initial agreement.

The result of the city-county work group's effort to develop the successor agreement is that 25 of the current 26 cities submitted statements in early May of their interest in continuing in the RASKC program. Together, these cities will contribute an estimated \$2.4 million to the system through license revenues and payments to the County in 2013. During June, city councils will consider formally adopting the new interlocal agreement with the County for animal services, to be effective July 1, 2012 (services effective January 1, 2013-December 31, 2015).

The package I am transmitting today provides the mechanism for the County to also enter into these contracts. The transmittal package includes:

- A proposed ordinance authorizing the executive to enter into interlocal agreements for animal services with cities in King County. The interlocal agreement is Attachment A. It has undergone legal review through both the Prosecuting Attorney's Office and cities' legal counsel and is under consideration by cities who affirmed their interest in remaining in RASKC;
- Summary of Terms for the Animal Service Interlocal Agreement: A summary, by section, of the key provisions of the interlocal agreement;
- Fiscal Note: The estimated fiscal impact of the interlocal agreement to King County is \$2.64 million in 2013; and
- Roadmap for Reform Accomplishments. This successor agreement is based on the existing agreement with cities. Cities will continue to pay the County the difference between their cost allocation and their pet licensing revenue. Together, the cities are estimated to contribute nearly \$.8 million to support services in 2013 on top of pet licensing revenue of \$ 1.67 million, for a total contribution of \$2.4 million.

In developing the successor interlocal agreement, some key changes have been made to respond to city interests and to support continuation of the system.

- The cost allocation model is shifted to assign costs 80% based on use and 20% based on population to provide better correlation between costs and use of the system. This is a change from a cost assignment in the current model of 50% based on use and 50% based on population.
- There will be better cost predictability for jurisdictions in years two and three of the interlocal agreement.
- A number of field service improvements are being made without a cost increase. These changes respond to cities seeking better coverage, including the number of days field service is being provided and the location of field officers. In addition, changes to the current agreement are proposed to shift the animal control service districts from four to three to maintain service levels and control costs.

I appreciate the help of our employees, and particularly the Animal Control Officers Guild, in developing creative and responsive solutions to the cities' needs. We appreciate the willingness of the bargaining unit members to forego cola for 2011 and 2013 and for agreeing to restructure the compensation for the employees working in the Pet Adoption Center. These negotiated changes were instrumental to our ability to provide cost effective regional animal control services to the residents of King County. It is this type of approach to service that will enable the regional system to continue to evolve and flourish.

The model continues to provide credits for cities with high per capita costs, and provides specific license revenue support to generate additional license revenue for other cities. Both approaches are necessary to maintain the regional partnership. This support continues to provide a stable cost for cities and the County in difficult financial times. We have seen in the past two years how this approach led to better outcomes and greater cost efficiencies for the County and cities. The County support is consistent with the level of funding estimated to maintain the services without city partners and was necessary to reach consensus across jurisdictions that vary significantly.

I am pleased to move to the next step in the progression of the regional system with our new RASKC Manager, Gene Mueller, joining the County in June. Under his leadership, RASKC will be charged with continuing to improve service outcomes, while seeking to develop new partnerships with public and private providers and following through on new and innovative funding solutions to create financial sustainability.

Again, I want to thank the Council, cities, and our employees, volunteers, donors, and private partners for their support for Regional Animal Services of King County. I look forward to their active involvement and collaboration as we continue to improve the service delivery and provide funding sustainability for the regional system.

If you have any questions regarding the successor interlocal agreement for animal services and the legislative package that would implement it, please contact Diane Carlson, Director of Regional Initiatives, at (206) 263-9631.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Michael Woywad , Chief of Staff
 Anne Noris, Clerk of the Council
 Fred Jarrett, Deputy County Executive, King County Executive Office (KCEO)
 Rhonda Berry, Assistant Deputy County Executive, KCEO
 Sung Yang, Chief of Staff, KCEO
 Dwight Dively, Director, Performance, Strategy, Budget Office, KCEO
 Caroline Whalen, County Administrative Officer, Department of Executive Services (DES)
 Carrie S. Cihak, Chief Advisor Policy and Strategic Initiatives, KCEO
 Frank Abe, Director of Communications, KCEO
 Patti Cole-Tindall, Labor Relations Manager, KCEO
 Diane Carlson, Director of Regional Initiatives, KCEO
 Norm Alberg, Interim Director, Records and Licensing Services Division, DES
 Gene Mueller, Manager, Regional Animal Services of King County, DES

FISCAL NOTE

Attachment 6

Ordinance/Motion No. 00-
 Title: Regional Animal Services of King County ILA Authorization
 Affected Agency and/or Agencies: Executive Services, RALS, Regional Animal Services of King County (RASKC)
 Note Prepared By: Sean Bouffiou
 Note Reviewed By: Yiling Wong

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue to:

Fund/Agency	Fund Code	Revenue Source	2012 Adopted ¹	2013 ²	2014 ²	2015 ²
Pet Licensing (Cities) ³	1431	1431	2,092,534	1,671,819	1,705,255	1,739,360
Pet Licensing (County) ³	1431	1431	864,212	808,870	825,047	841,548
RAS PL City Rebate ¹⁰	1431	1431	-65,319	-9,618	-9,618	-9,618
Animal Svcs Bus. Licensing ⁹	1431	1431	2,400	1,500	1,500	1,500
Pet License Fines ⁴	1431	1431	88,000	29,185	29,477	29,772
Pen Animal License County ⁴	1431	1431	55,305	13,265	13,398	13,532
Spay Neuter Fees ⁴	1431	1431	250	200	202	204
Animal Control Hauling ⁴	1431	1431	750	275	278	281
Animal Civil Penalty Fees ⁴	1431	1431	24,000	32,515	32,840	33,169
Animal Control Deceased Pick Up ⁴	1431	1431	2,000	240	242	245
Animal Control Euthanasia ⁴	1431	1431	3,000	2,146	2,167	2,189
Animal Control Adopt Microchip ⁴	1431	1431	25,000	22,439	22,663	22,890
Kenneling ⁴	1431	1431	35,000	19,025	19,215	19,407
Animal Adoption ⁴	1431	1431	134,375	68,697	69,384	70,078
Animal Redemption ⁴	1431	1431	25,000	17,825	18,003	18,183
Non Court NSF Check Fees ⁹	1431	1431	1,800	1,000	1,000	1,000
Cashiers Over Short ⁹	1431	1431	-200	-200	-200	-200
Other Misc Revenue ⁹	1431	1431	700	700	700	700
City Reimbrmnt. for RASKC Svcs ⁵	1431	1431	1,256,993	788,476	813,707	841,373
General Fund Contribution ^{6,7}	1431	0010	1,951,101	2,644,860	2,754,000	2,869,000
Enhanced Services	1431	1431	308,641	248,166	255,611	263,279
Animal Bequest Fund Contribution	1431	1432	200,000	200,000	200,000	200,000
TOTAL			7,005,542	6,561,385	6,754,873	6,957,892

Expenditures from:

Fund/Agency	Fund Code	Department	2012 Adopted ¹	2013	2014	2015
Animal Services Fund/RASKC ⁸	1431	DES	6,813,225	6,554,627	6,751,266	6,953,804
TOTAL			6,813,225	6,554,627	6,751,266	6,953,804

Expenditures by Categories

	2012 Adopted ¹	2013	2014	2015
Wages and Benefits	4,506,746	4,428,143	4,560,987	4,697,817
Supplies	283,500	125,000	128,750	132,613
Services and Other Charges	805,882	770,843	793,968	817,787

Intergovernmental	1,187,097	1,200,641	1,236,660	1,273,760
Capital	30,000	30,000	30,900	31,827
TOTAL	6,813,225	6,554,627	6,751,266	6,953,804

Assumptions: See below

¹ Current Year impact is Not Applicable as the proposed legislation does not impact 2012. Per council staff request, 2012 Adopted amounts have been added in this column.

² Revenues and Expenditures anticipate the participation of the 25 cities that have provided preliminary/non-binding notification to King County, as of May 2012, that they desire to remain in the RASKC model 2013-2015.

³ Pet Licensing revenues in out years based on a conservative revenue growth assumption of two percent per year. Increased focus on marketing activities and more active city participation in pet licensing sales may yield actual growth at a higher rate.

⁴ Other fees and fines in out years based on a conservative revenue growth assumption of one percent per year. Increased activities may yield higher actual growth rate.

⁵ Reimbursements to RASKC program from cities (a.k.a. allocable costs), per ILA, are limited to a growth rate of CPI + population growth, projected at 3.2% and 3.4% in 2014, 2015, respectively.

⁶ The General Fund Contribution includes unincorporated King County's net final cost allocation for services per the RASKC Model (\$809,195), KC Sponsored program support (\$846,133), Transition Funding (\$148,614), Shelter Credits (\$750,000), Licensing Support (\$90,918). The proposed 2013, as well as current existing ILA terms structure revenues such that if pet licensing and other fees and fines decline, cities' portion of costs are capped based on inflation (CPI-U plus population growth), leaving the County-funded portion to increase accordingly. Note that increased marketing and active city participation in revenue activities planned for 2013-2015 may lead to higher licensing revenues, decreasing the County-funded portion. Transfers to other funds (omitted here, for clarity) are double budgeted in the ordinance language to authorize expenditure/transfer from the transferring (source) funds (General Fund and Animal Bequest Fund), as well as to provide expenditure authority for the operating fund (Animal Services Fund).

⁷ Licensing Support is estimated to cost a total of \$60,006 to achieve the full Licensing Support target for all eligible cities combined. Since the full amount of the target (\$90,918) is a financial liability under the contract, the entire amount has been calculated into the GF transfer.

⁸ Expenditures in out years are based on an inflationary factor of 3% per year. Commensurate with the program's recent historical cost growth. Per ILA, allocable costs to cities is capped at CPI + population growth, projected at 3.2 and 3.4 percent for 2014 and 2015, respectively.

⁹ No out year growth projections were calculated for this account.

¹⁰ Northern cities that use PAWS for Sheltering Services receive a rebate of their pet licensing revenue to help support their sheltering costs. No inflationary factor has been applied.

June 25, 2012

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

This letter transmits the Department of Executive Services (DES), Records and Licensing Services Division (RALS), Regional Animal Services Section's (RAS) Status Report, Financial Plan and a motion.

The attached report is transmitted in response to Ordinance 17232, Section 83 Records and Licensing Services/Regional Animal Services, Proviso #2, which requires the following:

The report and financial plan shall include, but not be limited to:

- 1) a description of the aligned financial incentives, partnerships to increase revenue, economies of scale, a consistent regulatory approach across participating jurisdictions and collaborative initiatives that have been undertaken and their effectiveness at developing a fiscally sustainable program;*
- 2) the status of interlocal agreement renewal discussions with each city participating in the program;*
- 3) the level of cost recovery each current participating city actually pays for services rendered;*
- 4) the status of discussions with other jurisdictions or entities to join the program and the expected level of cost recover level from each;*
- 5) qualitative and quantitative analysis explaining the expected revenues for 2012 through 2015, including a detailed analysis of each revenue source;*
- 6) a description of all program elements supported by the general fund including but not limited to salary differentials, FTE position and other county services;*
- 7) a strategy and timeline for implementing a sustainable, long term regional animal services program that reflects the values and interest of King County and its regional partners based on a full cost reimbursement model; and*
- 8) a revised financial plan that reflects the analysis required by this report.*

The Honorable Larry Gossett
June 25, 2012
Page 2

This report supports the King County Strategic Plan goal of long term sustainability of County services by ensuring Regional Animal Services is funded without significant reliance on the General Fund in the future. It is estimated that this quarterly report required 122 staff hours to produce, costing \$8,300.

The Regional Animal Services King County (RASKC) program is a successful and valued model for providing animal services in King County. In 2011, RASKC exceeded the animal welfare outcome goal established by the Council and all but one of the city partners have indicated they intend to remain a part of regional program through 2015.

Continuation of the RASKC program demonstrates a collaborative partnership with cities to deliver an effective and efficient service for the residents and animals of King County and the outlook for the future is bright. Gene Mueller, recently appointed as the new RASKC Manager, brings with him a wealth of knowledge and experience to help lead RASKC towards greater success in partnerships with other organizations, achieving the desired animal welfare outcomes and meeting the financial sustainability goals that are important to all of us.

If you have any questions, please feel free to contact Norm Alberg, Interim Director, Records and Licensing Services Division, Department of Executive Services, at 206-296-1559.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Michael Woywod, Chief of Staff
 Mark Melroy, Senior Principal Legislative Analyst, BFM Committee
 Anne Noris, Clerk of the Council
 Fred Jarrett, Deputy County Executive, King County Executive Office (KCEO)
 Carrie S. Cihak, Chief Advisor, Policy and Strategic Initiatives, KCEO
 Diane Carlson, Director of Regional Initiatives, KCEO
 Dwight Dively, Director, Office of Performance, Strategy and Budget
 Caroline Whalen, County Administrative Officer, Department of Executive
 Services (DES)
 Norm Alberg, Interim Director, Records and Licensing Services Division
 (RALS), DES
 Gene Mueller, Manager, Regional Animal Services, RALS, DES

**2013/2014 Biennial Proposed Financial Plan
Animal Services Fund / 000001431**

	2011 Actual ¹	2012 Adopted	2012 Estimated ²	2013 Projected	2014 Projected ³
Beginning Fund Balance		192,317	67,602	259,919	266,677
Revenues ¹³					
Taxes	-	-	-	-	-
City Pet Licensing Revenue ⁸	1,843,537	2,092,534	2,092,534	1,671,819	1,705,255
County Pet Licensing Revenue ⁸	852,150	864,212	864,212	808,870	825,047
Animal Business Licensing	1,500	2,400	2,400	1,500	1,500
Pet Licensing Late Fees ¹⁰	13,425	55,305	55,305	13,265	13,398
Civil Penalties/Pet License Fines ¹⁰	79,924	112,000	112,000	61,700	62,317
Animal Adoption Fees ¹⁰	88,919	134,375	134,375	68,697	69,384
City Reimbursement for RASKC Services ⁹	1,037,800	1,256,993	1,256,993	788,476	813,707
City Rebate ⁹	(68,895)	(65,319)	(65,319)	(9,618)	(9,618)
Enhanced Services ⁹	76,020	308,641	308,641	248,166	255,611
Other Misc. Fees ¹⁰	68,503	93,300	93,300	63,650	64,272
Other Financing Sources (General Fund Transfer) ¹¹	2,048,416	1,951,101	1,951,101	2,644,860	2,754,000
Miscellaneous Revenue (Donations)	94,456	200,000	200,000	200,000	200,000
Federal Grants	-	-	-	-	-
State Grants	-	-	-	-	-
Total Revenues	6,135,755	7,005,542	7,005,542	6,561,385	6,754,873
Total Biennial Revenues					13,316,258
Expenditures					
Wages, Benefits and Retirement	(3,956,554)	(4,506,746)	(4,506,746)	(4,428,143)	(4,560,987)
Capital	-	(30,000)	(30,000)	(30,000)	(30,900)
Direct Services	(984,709)	(1,089,382)	(1,089,382)	(895,843)	(922,718)
Intergovernmental Services	(1,126,890)	(1,187,097)	(1,187,097)	(1,200,641)	(1,236,660)
Total Expenditures	(6,068,153)	(6,813,225)	(6,813,225)	(6,554,627)	(6,751,265)
Total Biennial Expenditures					(13,305,892)
Estimated Underexpenditures ⁴		-	-	-	-
Other Fund Transactions					
GAAP Adjustment	-	-	-	-	-
	-	-	-	-	-
Total Other Fund Transactions	-	-	-	-	-
Total Biennial Other Fund Transactions					-
Ending Fund Balance	67,602	384,634	259,919	266,677	270,285
Reserves					
Expenditure Reserves					
Equipment Replacement Reserve ⁵	-	-	-	(30,000)	(30,000)
Donation Funded Support Reserve ⁶		(208,000)			
Cash Flow Reserves					
Cash Flow Fund Balance Reserve ⁷	-		-	(150,000)	(200,000)
Mandated & Rate Stabilization Reserves					
Rainy Day Reserve @ 0 days of expenditures ¹²	-		-	-	-
Total Reserves	-	(208,000)	-	(180,000)	(230,000)
Reserve Shortfall	-	-	-	-	-
Ending Undesignated Fund Balance	67,602	176,634	259,919	86,677	40,285

Financial Plan Notes:

¹ 2011 Actuals are based on ARMS 14th Month.

² No changes have been made from 2012 Adopted financial plan.

³ 2014 expenditures include the following inflation assumptions: Expenditures in out years are based on an inflationary factor of 3% per year.

⁴ Underexpenditures have not been estimated and are not calculated into the Financial Plan. As additional experience is gained with the RASKC model,

⁵ Equipment Replacement Reserve intended for replacement of truck boxes used for transporting animals by Animal Control Officers. All existing truck boxes are 17 to 23 years old and will need to be replaced over the next 10 years.

⁶ The Donation Funded Support Reserve (\$208,000) in 2012 is shown here to align with the 2012 Adopted financial plan and represents a reserve for Donation-Funded Expenditures from the Animal Bequest Fund. In 2013, the Animal Bequest Fund will have a separate Financial Plan, so the reserve has been excluded from the Animal Services financial plan for out years.

⁷ Cash Flow Fund Balance Reserve: Sets aside fund balance to offset fluctuations in revenue/expenditures that result in periods of negative fund balance. This reserve will help avoid negative fund balances that would require interfund loaning at an increased cost to the Animal Services Fund.

⁸ Pet Licensing revenues in out years is based on a conservative revenue growth assumption of two percent per year. Increased focus on marketing activities and more active city participation in pet licensing sales may yield actual growth at a higher rate.

⁹ City Reimbursement is Per ILA, allocable costs to cities is capped at CPI + population growth, projected at 3.2% for 2014. Estimated and actual city reimbursement is also dependent upon fluctuations in revenue that could have the effect of increasing or decreasing the net final cost to cities, and the anticipated revenue contemplated from it. City Rebates reflect the payments made to northern cities contracting with PAWS for sheltering services. Cost allocation for cities using PAWS (Shoreline, Lake Forest Park, Kenmore, and Woodinville) are intended in the ILA to be net of their respective PAWS costs.

¹⁰ Other fees and fines in out years are based on a conservative revenue growth assumption of one percent per year. Increased activities may yield higher actual growth rate. Non-fee based accounts (Non Court NSF Check Fees, Cashiers Over Short, and Other Misc Revenue) are not included in the revenue growth calculation. Other Miscellaneous Fees category consists of the following revenue accounts: Spay Neuter Fees, Animal Control Hauling, Animal Control Deceased Pick Up, Animal Control Euthanasia, Animal Control Adopt Microchip, Kenneling, Animal Redemption, Non-Court NSF Check Fees, Cashiers Over Short, and Other Miscellaneous Revenue.

¹¹ The General Fund Contribution includes unincorporated King County's net final cost allocation for services per the RASKC Model (\$809,195), KC Sponsored program support (\$846,133), Transition Funding (\$148,614), Shelter Credits (\$750,000), Licensing Support (\$90,918). The proposed 2013, as well as current existing ILA terms structure revenues such that if pet licensing and other fees and fines decline, cities' portion of costs are capped based on inflation (CPI-U plus population growth), leaving the County-funded portion to increase accordingly. Note that increased marketing and active city participation in revenue activities planned for 2013-2015 may lead to higher licensing revenues, decreasing the County-funded portion. Licensing Support is estimated to cost a total of \$60,006 to achieve the full Licensing Support Target for all eligible cities combined. Since the full amount of the target (\$90,918) is a financial liability under the contract, the entire amount has been calculated into the GF transfer.

¹² No Rainy Day Reserve has been established for the Animal Services Fund.

¹³ Except as otherwise noted, the financial plan assumes status quo for revenue sources that RASKC plans to work to increase with cities going forward. Revenues exceeding the status quo projections would contribute to lowering projected fund costs.

Attachment 8

City – County 2013 Work Plan to Increase Revenues

Revenue Sustainability

All partners in the Regional Animal Services of King County (RASKC) share the goal of creating revenue sustainability for the regional system. Revenues from license sales have historically provided less than 50% of the funding for the system. The majority of additional funding under the current interlocal agreement is provided by the jurisdictions.

The items listed below reflect the partners' current thinking of items that could increase revenues for the RASKC model and should be implemented or further evaluated. New ideas may emerge and/or items on the list may be removed if determined not cost efficient or effective. The County will take the lead on the items and work in conjunction with the Joint City County Committee.

Near term - Potentially Implementable in 2012

- Create licensing tool-box for cities - **done**
- Increase canvassing effort – **county is continuing canvassing in Unincorporated King County in 2012; define expanded canvassing plan (unincorporated and City jurisdictions) in 4th quarter 2012)**
- Improve the RASKC website and promote linkages to it from city websites – **in progress**
- Increase public service announcements, media spotlight opportunities – **in progress**
- Utilize e-mail to reach out to supporters – **in progress**
- Consider implementing a second penalty-free licensing period – **review and determine feasibility in 4th quarter 2012.**

Medium Term - Potentially Implementable in 2012-2015

- Review/Analyze Licensing fee pricing structure and amount
 - **3rd quarter 2012- Identify State and National statistics on licensing fee structures and where available indicators of licensing success (percent licensed estimate)**
 - **3rd quarter 2012- - Draft report for RALS, etc. on findings with possible scenarios, highlighting model programs and financial implications of similar licensing program response**
 - **4th quarter 2012 – If approved by the County, present to Joint City County Committee (JCCC).**
- Improve options for making donations through the licensing program
 - **3rd quarter 2012- - Review current on line licensing survey results for feedback on usage ease. Review language describing the four RASKC donation “funds” and how/what they help.**

Attachment 8

- **3rd quarter 2012- – Adapt findings of survey for proposed on line licensing changes to ease use and examine ability to make directed donations (to the four funds) simultaneously with licensing payment. Proposal to RALS.**
 - **4th quarter 2012 – If approved by County, present to JCCC.**
- Investigate creation of entrepreneurial options with pet stores to provide discounts on pet items to people with licenses
 - **3rd quarter 2012- – Examine “affinity” relationship with large pet store chains e.g. PetSmart/Petco. Identify contact info for animal related businesses that may share interest (e.g. dog groomers, trainers).**
 - **3rd quarter 2012- – Proposal concept to RALS**
 - **4th quarter 2012 – If approved by County, present to JCCC.**
- Targeted partnerships with private sector businesses that provide high volume license sales (e.g. license sales in exchange for a share of the license fee)
 - **3rd quarter 2012- – Identify candidate businesses (e.g. Veterinary offices, QFC stores). Identify other jurisdiction models, if any. Examine possible business with Petdata or Chameleon for tag sales on line.**
 - **3rd quarter 2012- – Proposal to RALS**
 - **4th quarter 2012 - Discussion with JCCC**
- Create 501(c)3 for donations and improve efforts to secure donations
 - **3rd quarter 2012- – Secure County legal opinion/guidance on creation of 501c3. Identify similar models within the United States.**
 - **3rd quarter 2012- – Solicit feedback on merits and challenges of 501c3 creation related to animal services**
 - **3rd quarter 2012- Discussion memo to RALS**
- Evaluate feasibility of regional levy to support all, or components of the system
 - **Define work plan and approach in consultation with Joint County City Committee by 4th quarter 2013**
- Evaluate feasibility of new legislative authority to levy a regional sales tax on pet related items
 - **Define work plan and approach in consultation with Joint County City Committee by 4th quarter 2013**

Attachment 8

In response to County Council Staff's inquiry regarding the level of magnitude estimates for the 13 items identified by the RASKC Joint City County Collaboration Committee (see previous page) RALS has generated the matrix below. The matrix (quad chart) depicts a) the (relative) level of effort for implementation (includes the potential order of magnitude of time and resources to implement = y-axis and b) the potential order of magnitude of revenue potential = x-axis).

It is noteworthy that of the 13 items, 9 of them are pet license revenue focused, given RASKC current percentage of 20% represents a higher than average percentage of pets licensed nationally, King County believes efforts should be made to both maintain the high percentage, but also pursue and increase to not only compensate for annual loss of licenses, but to increase the percentage further. Other items on the revenue work plan include:

- 2 are levy & tax focused (both of which are controversial and will take significant time and resources to pursue implementation and have corresponding high order of magnitude revenue potential).
- 1 is for a 501 3C (which is a medium to high order of magnitude level to pursue implementation and has a medium level revenue potential)
- 1 is for increasing donations (which is a medium order of magnitude level to pursue implementation and has a low to medium level revenue potential)

Attachment 8

RASKC Joint County City Collaboration Committee – Revue work plan items – order of magnitude chart

Low – order of magnitude level of effort – implementation - High		Regional Levy – Feasibility Regional Sales Tax - Feasibility
	501 3CEntrepreneurial pet store discounts Partner with high volume license sales	
	Second penalty free period Review licensing fee structure Improve Donation Options Increase donations thru licensing program Licensing tool-box Increase canvassing Improve RASKC Website Increase PSA, media spotlights Utilize e-mail for outreach	
	Low – Order of magnitude revenue potential - High	



King County

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MEMORANDUM

DATE: June 21, 2012

TO: Metropolitan King County Council

FROM: Cheryle Broom, County Auditor *CB*

SUBJECT: Oversight Monitoring Consultant Report - Review of *Brightwater Cost Update, Current Conditions and Trends, January 2012* (2012 Trend Report)

Please find the attached Oversight Monitoring Consultant (OMC) review of the Wastewater Treatment Division's (WTD) annual Brightwater Program cost update – the 2012 Trend Report. The OMC's review independently forecasts the Brightwater Program total project cost to be \$1,862.9 million for the portions of the project without disputed costs associated with the Central Tunnel delay. The OMC's estimate is approximately \$10 million higher than last year's estimate and is \$3 million higher than WTD's estimate.

The OMC's report also:

- assesses that for the most part the remaining contingencies are sufficient;
- highlights several areas of remaining cost uncertainty, the most significant being the outcome of the County's litigation with the Central Tunnel contractor involving \$225 million (\$158 million in county claims and \$67 million in contractor counterclaims); and
- describes the areas of remaining expenditure, the total of which are forecast at \$98 million.

On April 26, WTD transmitted this year's Trend Report to the County Council. It shows a revised cost estimate of the non-disputed portions of the project of \$1,860 million, representing a \$10.7 million (or .6 percent) increase over the previous year's estimate. The baseline budget was established in 2004 with two inflation rate scenarios of five and three percent. Comparison of the cost update to the baseline budget shows the update at \$70 million and \$200 million (3.9 percent and 12 percent), respectively, above the baseline budget figures. The OMC has not conducted an analysis of the actual impact of inflation experienced since 2004. Such analysis may be of interest to Council and could be conducted as part of the post project review of Brightwater. It is important to note that, as was the case last year, the updated cost estimates do not include the disputed costs associated with the Central Tunnel delay.

Adding actual costs through December 2011 with future remaining estimated project expenditures arrives at a total projected cash outlay of \$1,970.6 million¹ at the completion of the project. This

¹ Revised from June 14, 2012 memorandum.

assumes no recovery of costs, which the County is currently seeking to recover through litigation against the Central Tunnel contractor. The trial date is set for September 4, 2012. This number provides Council with a comprehensive forecast of project costs at completion.

A presentation of this attached report is scheduled for the June 26 Government Accountability, Oversight and Financial Performance Committee meeting. The report was prepared by SAIC who is under contract with the Auditor's Office to provide oversight consulting services on the Brightwater Program. We want to acknowledge the Prosecuting Attorney's Office, Brightwater Program staff, and WTD and DNRP management for their cooperation and assistance during the development of the report. Should you have questions or comments on the report, please contact Tina Rogers, the Capital Projects Oversight Manager.

CB:TR:jl

Attachment: Oversight Monitoring Consultant Report - *Review of Brightwater Cost Update, Current Conditions and Trends, January 2012*

cc: Dow Constantine, King County Executive, King County Executive Office (KCEO)
Fred Jarrett, Deputy County Executive, KCEO
Dan Satterberg, Prosecuting Attorney, Prosecuting Attorney Office (PAO)
Rhonda Berry, Assistant Deputy County Executive, KCEO
Christie True, Director, Department of Natural Resources and Parks (DNRP)
Grover Cleveland, Business Development Manager, DNRP
Pam Elardo, Division Director, Wastewater Treatment Division (WTD), DNRP
Gunars Sreibers, Brightwater Project Manager, WTD, DNRP
Dwight Dively, Director, Office of Performance, Strategy and Budget, KCEO
Tom Kuffel, Senior Deputy Prosecuting Attorney, PAO
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Art Griffith, SAIC
Tom Jacobs, SAIC

Oversight Monitoring Consultant Report - Review of Brightwater Cost Update, Current Conditions and Trends, January 2012

King County
Brightwater Project Oversight Services
Contract No. P43024P

June 2012



In association with:



Oversight Monitoring Consultant Report - Review of Brightwater Cost Update, Current Conditions and Trends, January 2012

King County
Brightwater Project Oversight Services
Contract No. P43024P

June 2012



In association with:



This report has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to SAIC constitute the opinions of SAIC. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, SAIC has relied upon the same to be accurate, and for which no assurances are intended and no representations or warranties are made. SAIC makes no certification and gives no assurances except as explicitly set forth in this report.

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Oversight Monitoring Consultant Report Review of Brightwater Cost Update, Current Conditions and Trends, January 2012

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Executive Summary

This report is the Brightwater Oversight Monitoring Consultant (OMC) review of the Wastewater Treatment Division (WTD) 2012 Trend Report¹, including an updated OMC cost estimate.

WTD's revised total lifetime Brightwater Program cost estimate is \$1,859.9 million, \$199.7 to \$70.0 million higher than the 2004 baseline estimates using three percent and five percent inflation rates. The updated cost estimate is \$10.7 million higher than reported by WTD in the 2011 Trend Report. The primary reasons for this change are: increased Builders Risk Insurance premium costs, an increase in treatment plant construction costs beyond the available contingency, and unanticipated new work order contracts associated with reconfiguring the Treatment Plant and the Influent Pump Station from interim to final commissioning mode.

Similar to last year, the total lifetime Brightwater Program cost estimate excludes Known Disputed Costs that are related to the delay in performance on the Central Tunnel contract. WTD's 2012 Trend Report indicates that Known Disputed Costs includes approximately \$158 million for which King County will seek reimbursement, and approximately \$66.7 million in counterclaims on the Central Tunnel Contract for which King County denies the obligation to pay.

OMC's revised lifetime Brightwater Program cost estimate is \$1,862.9 million, \$10.3 million higher than last year. Like WTD's estimate, this also excludes Known Disputed Costs. The \$3.0 million difference between OMC's estimate and WTD's estimate continues to decrease as construction nears completion.

Table 1
Revised OMC Cost Estimate and Comparison with WTD Estimate, \$M

Project Component	WTD Baseline Budget	WTD 2011 Trend Report	WTD 2012 Trend Report	OMC 2011 Estimate	OMC 2012 Estimate
	3% Infl. - 5% Infl				
Conveyance	\$1,020.6 - \$1,105.5	\$964.1	\$963.6	\$966.5	\$964.8
Treatment Plant	\$639.6 - \$684.4	\$885.1	\$896.3	\$886.1	\$898.1
Subtotal	\$1,660.2 - \$1,789.9	\$1,849.2	\$1,859.9	\$1,852.6	\$1,862.9

This report also includes an assessment of WTD's 2012 Trend Report contingencies. WTD's cost estimate includes approximately \$25.1 million in conveyance system contingency. This OMC review concludes that WTD's conveyance contingency will likely be sufficient to cover risks in non-disputed portions of the Brightwater project conveyance system. Were it not for the dispute related to the Central Tunnel, OMC may have recommended a reduction in the contingency, as the project is so close to completion. However, OMC is not proposing any revisions to WTD's conveyance contingency at this time.

¹ Full name of report is Brightwater Cost Update, Current Conditions and Trends, January 2012.

The entire treatment plant contingency has been used and WTD is not carrying any contingency for the treatment plant in its 2012 cost update. OMC anticipates additional treatment plant contingency may be needed to cover risk on remaining treatment plant construction and non-construction costs. OMC has included a treatment plant contingency of \$3.0 million, and it is this additional treatment plant contingency that explains the difference between OMC's and WTD's revised lifetime cost estimates.

WTD estimates that the total remaining project expenditures (as of December 31, 2011) for the Brightwater Project are approximately \$98.0 million.

In separate monthly reports², WTD indicates that the total project expenditures to date are approximately \$1,878.3 million. This is higher than the WTD's lifetime project cost estimate because WTD's project expenditures to date include Known Disputed Costs that WTD has already paid and seeks reimbursement.

² Brightwater Treatment System Monthly Project Report, February 2012

Oversight Monitoring Consultant Report, Review of Brightwater Cost Update, Current Conditions and Trends, January 2012

Introduction

This report is the Brightwater Oversight Monitoring Consultant (OMC) review of the Wastewater Treatment Division's (WTD) 2012 Trend Report. WTD published its 2012 Trend Report on April 25, 2012, at which time the OMC began its review. The OMC also received assistance from WTD in responding to questions and requests for backup data.

This report describes key assumptions of WTD's 2012 Trend Report and changes from the 2011 Trend Report, and presents a revised OMC estimate of Brightwater project costs. There are a number of terms in this report that have been defined in previous OMC reports³. This background information is not repeated here, and previous reports should be referred to for any clarification that may be needed.

Key 2012 Trend Report Assumptions

- The 2012 Trend Report is based on project progress through December 31, 2011. Project developments since that time are not incorporated.
- WTD reports an update to its compilation of Known Disputed Costs associated with the delay in the performance of the Central Tunnel contract. These Known Disputed Costs are those that were known as of December 31, 2011.
- The 2012 Trend Report makes no projection of the outcome of the Central Tunnel dispute.
- Full Commissioning occurs in September 2012.
- The Trend Report assumes that IPS performance deficiencies related to surge protection at high flows will be resolved. WTD has been working with the designer and insurance company to cover the costs of the repair and no specific WTD expenditures for this repair are included in the 2012 Trend Report.

Correspondingly, there are project developments occurring since December 31, 2011 which, though noted, are not specifically included in the 2012 Trend Report, but are reflected in this OMC review. These developments include:

- Changes in construction progress and change order activity from December 31, 2011 through March 31, 2012.

³ Previous reports containing background information and definitions of terms include Oversight Monitoring Consultant, Review of Brightwater Cost Update – Current Conditions and Trends, January 2010, prepared by RW Beck.

Changes from WTD's 2011 Trend Report

Costs.

The 2012 Trend Report cost estimate is \$10.7 million higher than the 2011 Trend Report cost estimate. The reasons for the increase are summarized in Table 2.

Table 2
Changes from 2011 Trend Report

Description	Amount, \$M	Notes
Unanticipated Conversion Contracts	\$3.8	Work Order Contracts at Treatment Plant and IPS Completion
Increased Treatment Plant Construction Cost	\$4.2	Change Orders Exceeding WTD's Previous Treatment Plant Contingency
Contingency Adjustment	(\$6.8)	Release of Unused East Tunnel Contingency
Increased Builder's Risk Premium	\$4.7	Builder's Risk Insurance Premium
Other Construction Costs	(\$1.6)	Misc. changes on differing costs from those projected in 2011
Increase in Non-Construction Costs	\$6.4	Increases due to reassessment of resources required to complete the project
Total Change from 2011 Trend Report	\$10.7	

The specific changes from the 2011 Trend Report include:

- Addition of two Work Order contracts, for Treatment Plant and Influent Pump Station (IPS) conversion from interim to final operation. Construction would begin in 2012 and continue into 2013. These contracts are comparatively small, and WTD has determined that it would be less expensive to contract separately for this work rather than retain the original construction contractors and complete this work through change orders.
- Based on the updated cost forecast by WTD, the contingency for the Treatment Plant will be fully exhausted. Additional change orders on the Treatment Plant contracts will result in an increase in the treatment plant project cost.
- Unused contingency for the East Tunnel contract was released, resulting in a reduction in the total program cost.
- Increased Builders Risk Insurance costs.⁴
- Non-Construction costs increased, due to a number of factors including additional legal and technical resources and staffing related to the Central Tunnel delay.

In its Trend Reports, WTD compares the Lifetime Cost Estimates with the Baseline Budget prepared in 2004. These comparisons include the Baseline Budget with annual inflation escalation of three percent and five percent. WTD's revised total lifetime Brightwater Program cost estimate is \$1,859.9 million, \$199.7 to \$70.0 million higher than the baseline estimates. OMC has not provided comment on the appropriate inflation rate to use for comparisons with the Baseline Budget. It is likely that a single inflation adjustment would not be comprehensive enough to assess the true impact of inflation, because the various construction contracts were procured over a multi-year period, and the construction duration and contracting methods varied.

⁴ Prior trends carried the initial premium costs which were based on an estimate of the final construction cost of the project. At completion, the insurance premium is revised based on actual costs. Because the final cost is higher than the original estimate, the insurance carrier is issuing this additional premium.

Schedule. The largest schedule changes from the 2011 Trend Report are the delay in final acceptance of the Solids and Liquids contracts, and the delay of Full Commissioning from July 31, 2012 to September 30, 2012⁵. Additionally, the 2012 Trend Report reflects construction continuing into 2013, as a result of comparatively minor ongoing construction at the IPS, the North Kenmore Portal, and the Ballinger Way Portal.

Revised OMC Estimate

Revised Lifetime Cost Estimate

As noted in the following Table 3, OMC revised lifetime cost estimate differs from WTD's in three areas:

1. Certain change order activity occurring since December 31, 2011 is incorporated into the OMC revised estimate. For the conveyance system, OMC's adjustments shift costs from contingency to construction, resulting in no net change in the cost estimate. This can be identified in Table 3 in the increase to the East, Central, West, Ancillary Contracts and IPS Contract lines, and corresponding reduction in the Construction Contingency line. For the treatment plant, OMC's adjustments increase the construction cost by \$30,000, a small net increase in the overall lifetime cost.
2. OMC has added a \$3 million treatment plant contingency, as described in more detail above.
3. OMC has moved approximately \$1.2 million of construction mitigation costs from the treatment plant to the conveyance system estimate, resulting in no net change in the separately accounted mitigation budget or in the overall lifetime cost estimate. This adjustment is to reflect a portion of the anticipated expenses for the Wetlands Restoration at the North Kenmore Portal. This change is made in the All Other Construction Costs lines of Table 3.

This comparison is shown in Table 3, and it does not include any Known Disputed Costs.

⁵ These are the dates reported in WTD's December 2010 and December 2011 Schedule Reports, respectively.

Table 3
Lifetime Cost Estimate Comparison, \$M

	WTD 2012 Trend Report	OMC 2012 Estimate	Difference
CONVEYANCE			
Construction Costs			
East, Central, West, Ancillary Contracts	\$485.7	\$486.3	\$0.6
Influent Pump Station Contract	103.2	103.9	\$0.7
Marine Outfall Contract	26.0	26.0	\$0.0
Construction Contingency	25.1	23.8	(\$1.3)
Sales Tax	58.8	58.8	\$0.0
All other construction costs	32.8	34.0	\$1.2
Non-Construction Costs			
Engineering / Planning & Mgmt Services	\$82.9	\$82.9	\$0.0
Construction Management	\$48.0	\$48.0	\$0.0
Other	\$101.3	\$101.3	\$0.0
Subtotal - Conveyance	\$963.6	\$964.8	\$1.2
TREATMENT PLANT			
Construction Costs			
Liquids Contract	\$260.2	\$260.2	\$0.0
Solids Contract	172.0	172.0	\$0.0
Construction Contingency	0.0	3.0	\$3.0
Sales Tax	29.5	29.5	\$0.0
Owner-Furnished Equipment	30.0	30.0	\$0.0
Outside Agency Costs	5.9	5.9	\$0.0
All other construction costs	62.1	60.9	(\$1.2)
Non-Construction Costs			
Engineering Services	\$78.5	\$78.5	\$0.0
Construction Management	\$19.4	\$19.4	\$0.0
Credits and Revenues	(\$3.1)	(\$3.1)	\$0.0
Other	\$241.7	\$241.7	\$0.0
Subtotal - Treatment Plant	\$896.3	\$898.1	\$1.8
Total	\$1,859.9	\$1,862.9	\$3.0

This OMC 2012 Estimate is the estimated lifetime cost of the Project, and excludes Known Disputed Costs.

Known Disputed Costs

The Trend Report discusses Known Disputed Costs related to delay in the performance of the Central Tunnel contract. WTD reports that King County's claims are \$158 million, which represents an increase of \$47 million from the value reported in the 2011 Trend Report. King County's claims include costs the County has already paid or will pay and seeks to recover. The majority of King County's claims are costs the County has already paid.

WTD reports that Vinci, Parsons, Frontier-Kemper (VPFK), the Central Tunnel contractor, has made counterclaims of \$66.7 million, which is less than the \$95.4 million reported in the 2011 Trend Report.

The Known Disputed Costs will continue to change over time. Because they are by definition "disputed", the final set of costs, final amount, and determination of responsibility has not been established.

The above summary does not include the following:

- BT-3C incentives that have not yet been earned. Jay Dee/Coluccio (JDC), the BT-3C contractor, has the potential to earn up to another \$610,000 in incentives if future milestones are met.
- Future change orders for JDC's work to complete the West Tunnel that are considered disputed.

Remaining Cost Uncertainty

The uncertainty in the lifetime cost has continued to decrease in the past year, because of the following developments:

- Continued progress on construction, particularly at the Treatment Plant, Influent Pump Station, Central Tunnel, and West Tunnel.
- Completion of interim commissioning.
- Recent bids on ancillary contracts.
- Greater certainty of the schedule for full commissioning.

By far the most significant cost uncertainty is the dispute related to delay in performance of the Central Tunnel. The outcome of this dispute is the most significant remaining uncertainty in defining the total project cost. Additional factors that can influence, and decrease the project cost include:

1. Successful completion of the remaining West Tunnel construction at a cost less than estimated by WTD.
2. Successful completion of the remaining BT-3C contract mining at a cost less than estimated by WTD. BT-3C is considered a disputed cost.
3. Resolution of IPS performance deficiencies related to surge protection at high flows.

-
4. Repairs to out-of-specification treatment plant yard piping.
 5. Meeting the projected schedules for full commissioning. There are currently multiple tasks that are either on the critical path or close to the critical path to full commissioning, and a delay in any one of them could delay full commissioning. These activities include repairs to out-of-specification treatment plant yard piping, certain VPFK activities on BT-3 and the North Kenmore Portal, temporary odor control facilities in the conveyance system, and the diffuser cap removal at the Marine Outfall.
 6. Managing non-construction costs.
 7. Completing the remaining work without using the full amount of remaining contingency.

Contingency Assessment

In WTD's baseline budget, there were two types of contingencies for the Brightwater Project: Construction Contingency and Project Contingency. The Construction Contingency was intended to cover additional costs paid to construction contractors for items such as change orders and claims. The Project Contingency was primarily intended to cover changes in non-construction cost risks, for items such as engineering, construction management, administration, and land purchases. In its 2010 Trend Report, WTD reduced the Project Contingency to \$0 and since 2010 has reported a single contingency. Correspondingly, OMC is also reporting a single contingency to cover both construction and non-construction cost risks.

As of the December 31, 2011, WTD's conveyance construction contingency is approximately \$25.1 million, and there is no treatment plant construction contingency remaining. Table 4 summarizes the potential items in the non-disputed portions of the project that may require use of contingency.

Table 4
Potential Demands on WTD's Remaining Contingency
(Excluding Disputed Portions of the Project)

Conveyance – Trend Report: Approximately \$25.1 M Contingency Remaining

- West Tunnel: future change orders and incentives on the undisputed portion of JDC Change Order 8.
- Central Tunnel: future change orders on the undisputed portion of BT-3 work. Resolution of approximately \$0.5M in potential change orders.
- Influent Pump Station (IPS): future change orders on the undisputed IPS work. Resolution of approximately \$4.2M in potential change orders.
- Marine Outfall: bid risk and any future change orders associated with diffuser cap removal.
- Ancillary Facilities: future change orders on the North Kenmore Portal and Ballinger Way Portal Odor Control facilities. Cost risk on the future North Kenmore Portal wetlands restoration project, to the extent the project cost exceeds the \$1.8 million estimate in the 2012 Trend Report.
- Construction and non-construction cost risk associated with any further schedule delay that is not related to the delay in performance of the Central Tunnel contract.

Treatment Plant – Trend Report: No contingency remaining.

- Liquids: future change orders on the undisputed portion of Liquids work. Resolution of approximately \$27K in potential change orders.
 - Liquids: any use of buyout savings.
 - Solids: future change orders on the undisputed portion of Solids work. Resolution of approximately \$22K in potential change orders.
 - Construction and non-construction costs not associated with dispute-related schedule delays.
-

This OMC review concludes that WTD's conveyance contingency will likely be sufficient to cover cost risks in the non-disputed conveyance portions of the Brightwater project.

In many construction projects, it is often appropriate to reduce the contingency as the project nears completion. For Brightwater, OMC is not proposing any revisions to WTD's conveyance contingency at this time because of the ongoing dispute related to the Central Tunnel.

OMC includes \$3 million treatment plant contingency to cover remaining cost risks on the non-disputed treatment plant portions of the project.

Remaining Project Expenditures

Table 5 shows the OMC estimate of the remaining Brightwater Project expenditures. This information is provided because it can help focus attention to the remaining portions of the project.

The total remaining expenditures for the Brightwater Project are approximately \$98.0 million. This does not include use of contingency but does include some costs that OMC anticipates will be considered disputed and added to the County's amount to seek reimbursement. WTD's ability to affect remaining project costs is limited and will occur within the areas shown in Table 5. Costs in Table 5 are those remaining as of December 31, 2011.

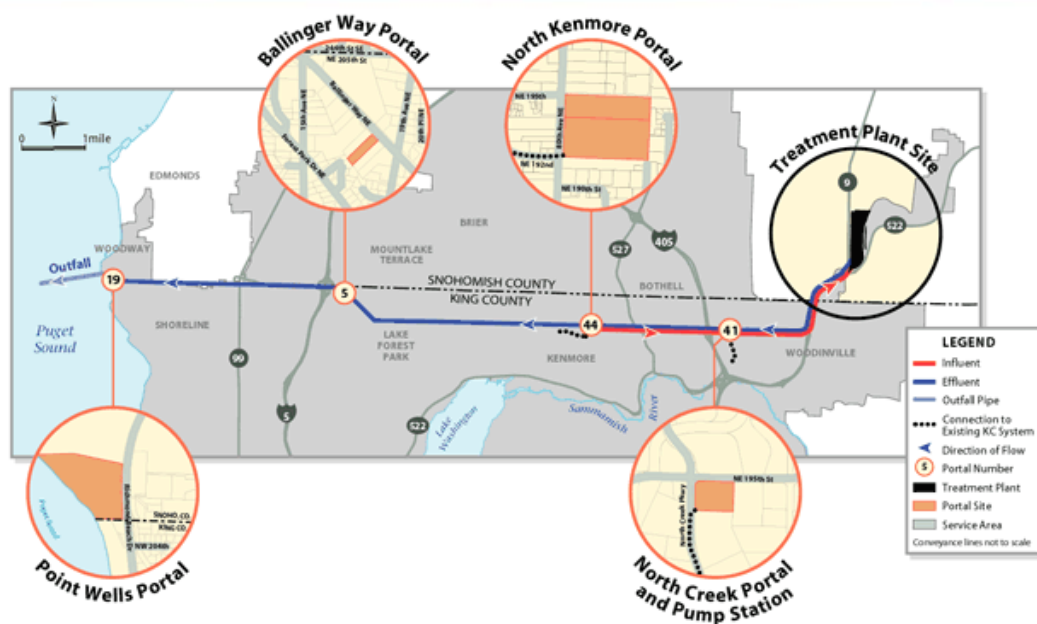
Table 5
Project Costs Remaining to be Incurred / Paid

	<u>Estimated Cost, \$M</u>
Conveyance (1)	
Construction (Includes Sales Tax)	
Central Tunnel (VPFK)	\$9.5
BT3C (JDC)	\$22.8
IPS	\$5.5
Marine Outfall (Diffuser Cap)	\$0.5
IPS Completion Contract	\$3.3
Ballinger Wy/N.Kenmore Odor Control	\$1.6
All Other	\$0.1
Construction Mitigation	\$2.0
Non-Construction	\$27.1
Other	\$2.9
Subtotal, Conveyance	<u>\$75.3</u>
Treatment Plant (1)	
Construction (Includes Sales Tax)	\$10.7
Construction Mitigation	\$1.6
Non-Construction	\$8.2
Other	\$2.2
Subtotal, Treatment Plant	<u>\$22.7</u>
Total, Project	\$98.0

Notes:

(1) Includes costs that OMC anticipates that WTD will consider disputed, and will seek to recover.

Approximately 60 percent of the remaining project expenses are for construction. The remainder is for non-construction and other costs. WTD reports that the non-construction cost estimate was based on an evaluation of the resources needed to complete the project. Non-construction costs in Table 5 also include additional legal and technical resources and staffing related to the Central Tunnel delay. “Other” costs in Table 5 are primarily the remaining Builders Risk Insurance costs. WTD’s estimate continues to carry approximately \$3.6 million in remaining construction mitigation funds; the single largest remaining mitigation expense from these funds (estimated by WTD at \$1.8M) is the Wetlands Restoration at the North Kenmore Portal.



KING COUNTY COUNCIL,
GOVERNMENT ACCOUNTABILITY, OVERSIGHT, AND FINANCIAL PERFORMANCE COMMITTEE

Brightwater Oversight Monitoring Consultant Review of 2012 Trend Report – PRESENTATION

Art Griffith

June 26, 2012



Presentation Overview

- Revised estimates of Brightwater Program Costs
 - Wastewater Treatment Division (WTD)
 - Oversight Monitoring Consultant (OMC)
- Known Disputed Costs
- Remaining cost uncertainty
- Contingency assessment
- Remaining project expenditures

WTD Revised Estimate of Brightwater Program Costs, \$M

Project Component	WTD Baseline Budget	WTD 2011	WTD 2012
	3% Infl. - 5% Infl	Trend Report	Trend Report
Conveyance	\$1,020.6 - \$1,105.5	\$964.1	\$963.6
Treatment Plant	\$639.6 - \$684.4	\$885.1	\$896.3
Subtotal	\$1,660.2 - \$1,789.9	\$1,849.2	\$1,859.9

- Same as last year: estimate excludes Known Disputed Costs
- Differences from last year:
 - Cost is \$10.7 million higher
 - Work order contracts to convert from interim to full operation
 - Unused contingency for East Tunnel contract was released
 - Increased Builders Risk Insurance costs
 - Increased non-construction costs

OMC Revised Estimate of Brightwater Program Costs, \$M

Project Component	WTD 2012 Trend Report	OMC 2012 Estimate
Conveyance	\$963.6	\$964.8
Treatment Plant	\$896.3	\$898.1
Subtotal	\$1,859.9	\$1,862.9

- OMC estimate is \$10.3 million higher than 2011 estimate
- Differences between OMC and WTD estimates:
 - OMC maintains an additional \$3 million contingency to cover treatment plant cost risk
 - Several small differences in subcategories that do not show up when estimates are summarized

Known Disputed Costs

- Excluded from Trend Report estimate and the OMC estimate
- Related to the delay in the performance on the Central Tunnel
 - King County claims: \$158 million
 - Central Tunnel Contractor counterclaims: \$66.7 million
- By definition of “disputed,” the set of costs, final amount, and determination of responsibility have not been established

Remaining Cost Uncertainty

- The most significant uncertainty is the outcome of the dispute related to delay in performance on the Central Tunnel
- Others:
 - The cost of completing the West and Central Tunnels
 - Resolution of IPS performance deficiencies related to surge protection at high flows
 - Repairs to out-of-specification treatment plant yard piping
 - Meeting the projected schedule for full commissioning (September 2012)
 - Managing non-construction costs
 - Completing the remaining work without using the full amount of contingency

Contingency Assessment

- Conveyance: WTD's trend report has approximately \$25.1 million of conveyance contingency
 - This should be sufficient to cover non-disputed conveyance cost risks through project completion
- Treatment plant: WTD does not carry a contingency
 - Future treatment plant change orders will increase total project cost as there is no contingency to draw against
 - OMC's estimate includes \$3 million of treatment plant contingency

Remaining Project Expenditures

- Remaining project expenditures approximately \$98 million
 - As of the beginning of 2012; smaller number today
 - Conveyance (\$75 million):
 - Completing the West Tunnel, Central Tunnel and IPS; converting to full operation (discharge through Marine Outfall)
 - Engineering and construction management
 - Treatment Plant (\$23 million):
 - Completion of construction, engineering and construction management, and conversion to full operation
- Some of the remaining expenditures will be disputed



King County

Government Accountability, Oversight and Financial Performance Committee

STAFF REPORT

Agenda Item:	7	Name:	Polly St. John
Proposed No.:	2012-B0081	Date:	June 26, 2012
Invited:	Robin Halberstadt, Project Program Manager, PSB Michael Gedeon, Supervising Senior Policy Analyst, PSB Gail Stone, Law and Justice Policy Advisor, Executive Office		

SUBJECT

AN UPDATE on the development of a pretrial risk assessment tool to guide the Superior Court in making pretrial release decisions

SUMMARY

The Council adopted Ordinance 16953 in November, 2010, that set policies regarding the development, adoption and use of a pretrial risk assessment tool for the adult detention population. Per the ordinance, the Executive reports quarterly on progress by citing steps and timelines.

Timelines for study design and execution, as well as development and creation of an implementation plan, were revised in the third quarter 2011 report to a December 2013 completion date. Following completion, County leadership will make a decision whether to move forward with implementation.

Below is a list of steps, upon which the program is reporting quarterly, as required by Ordinance 16973:

- ✓ 1. Seek out potential partners, identify funding, and hire a research consultant
- ✓ 2. Complete data collection and research on potential factors for the tool
- 3. Build the study sample – *staff training is complete, prospective data collection has begun and analysis has begun*
- 4. Collect Outcome Data and analyze results
- 5. Develop implementation plan – *preliminary work has begun*
- 6. Construct and test the tool
- 7. Make decision whether to proceed with implementation
- 8. Implement tool
- 9. Re-evaluate the tool every two to three years

The most current report on the first quarter 2012 is included as **Attachment 1**.

The project is currently on schedule. However, the project manager has informed Council staff that the consultant company, Assessments.com, has entered into receivership. With assistance from the PAO Civil Division, discussions are underway regarding the current contract for services. Although this development is unexpected, project staff expects that this will have minimal to no impact on the overall project schedule.

BACKGROUND

Past consultant reports¹ highlighted the potential benefits of using a pretrial risk assessment tool for defendants booked into the King County jail and coming before the court at first appearance and subsequent hearings. Such a tool would assist the Court by providing researched-based risk information that would supplement existing information that the Court uses when making decisions about releasing defendants or placing them in secure detention or alternatives programs.

Pretrial Assessment Tools

The use of a pretrial assessment tool is an emerging practice that may assist the court by providing researched-based risk information on pretrial defendants booked into jail. The purpose of a pretrial assessment instrument is to identify common factors that may be predictive of failure to appear in court and that could possibly result in a danger to the community. Pretrial assessment research² identifies some common factors and uses them to “weigh” probabilities. Some factors included in a pretrial risk assessment tool are similar to those already considered by the Court, such as current charge, pending charges at time of arrest, history of criminal arrest and convictions, active community supervision at the time of arrest, history of failure to appear, history of violence, residence stability, community ties, and substance abuse.

The objective of such a tool is to identify:

1. “low risk” defendants who can be safely released into the community with limited or no conditions pending trial,
2. “moderate and higher risk” defendants whose risk can be minimized by utilizing appropriate release conditions, community resources, and/or interventions upon release, and
3. the “highest risk” defendants for whom no condition or combination of conditions can reasonably assure appearance at court or could risk public safety.

An assessment tool should equitably classify defendants regardless of their race, ethnicity, gender, or financial status to ensure equal and fair treatment. A pretrial assessment tool would be intended to supplement existing information that the court considers in making decisions about releasing defendants or placing them in secure detention or alternative programs.

¹ “Use of Community Corrections Division Review” and “King County Caseflow Management Project Conclusions and Recommendations”

² May 2009 report, “Pretrial Risk Assessment in Virginia” was sponsored by the Virginia Department of Criminal Justice Services in Partnership with the Virginia Community Criminal Justice Association, with research conducted and the report provided by Luminosity, Inc.

Ordinance 16953

Ordinance 16953 passed by the Council in October 2010, set policies regarding the development, adoption and use of a pretrial risk assessment tool for the adult detention population. Ordinance requirements are listed in **Attachment 2**. The use of a pretrial risk assessment tool would assist the Court by supplementing existing information that the Court uses when making decisions. The Court currently uses information compiled from a number of sources, **Attachment 3**.

Pretrial Risk Assessment Workgroup

As required in Ordinance 16953 a pretrial risk assessment workgroup convened by the Adult Justice Operational Master Plan (AJOMP) Advisory Committee³ in 2009 is pursuing the development of a validated pretrial risk assessment tool for use in King County. The Office of Performance, Strategy and Budget (PSB) has hired a project manager, Robin Halberstadt, to help oversee this work. Michael Gedeon, a senior PSB policy advisor, has worked with this group since its inception and is also supporting the project.

A Request for Proposal (RFP) was issued by the county in December 2010 and Assessments.com was the preferred vendor. A contract for services was finalized in March, 2011 and the consultant began work in May 2011. The work group approved the research methodology, data collection protocols, and the final list of defendant factors to be collected for the study in August, 2011. The group meets bi-weekly to discuss progress of the overall project and to provide input and approval when needed.

Community Corrections Division

The Community Corrections Division (CCD) of the Department of Adult and Juvenile Detention (DAJD) administers alternatives to secure detention programs for both pretrial and sentenced defendants, as ordered by the Court. The Court currently uses information compiled from a number of sources to aide in judicial decisions as to whether a defendant will be required by the Court to participate in one of these alternative programs. When a pretrial assessment tool is implemented by the County, it is likely that CCD will continue to oversee Court ordered programs.

Current Activity Highlights

According to the most recent quarterly report, data collection software has been finalized, data analysis and planning work for future implementation has begun, and an agreement with the Seattle Municipal Court to participate in the project is being developed. Data collection is anticipated to be completed in June, 2012.

The first quarter 2012 report, **Attachment 1**, states that:

- Defendant information from criminal justice databases and the manual entry database have been successfully matched
- Data collection software has been finalized
- Intake Services Unit screeners at the County's correction facilities have been fully trained to collect data

³ The workgroup members include representatives from DAJD Community Corrections Division, the Budget Office (PSB), Superior Court, the Department of Judicial Administration, District Court, Office of Public Defense, the Prosecuting Attorney's Office (PAO), and Council staff.

- Data collection has begun, with approximately 32 interviews conduct daily by DAJD staff
- A smaller subset of the work group has begun development of an implementation plan. This work will include working with KCIT on software development, as well as the review of business practices and policy development for use. This work is to prepare for the possible implementation after the conclusion of the current research study.
- A contract between the County and the Seattle Municipal Court is being finalized for participation by the city in the project

Late Breaking Update

The project is currently on schedule. However, in April 2012 the project manager informed Council staff that the consultant company, Assessments.com (ADC), had entered into receivership. Since April, ADC has met its contract requirements and expressed its strong intent to continue to do so. With assistance from the PAO Civil Division and cooperation from ADC, efforts are underway to put a contingency plan in place to project study data and data collection software in the unlikely event that ADC is no longer able to meet the conditions of the contract. Although this development is unexpected, project staff expects that this will have minimal to no impact on the overall project schedule.

ATTACHMENTS

1. 2012-RPT0056, First Quarter Report 2012
2. Requirements of Ordinance 16953
3. Information Currently Used by the Superior Court at Arraignment



King County

Office of Performance, Strategy & Budget
Chinook Building
401 Fifth Avenue, Suite 810
Seattle, WA 98104

RECEIVED
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CLERK
KING COUNTY COUNCIL

April 2, 2012

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

The enclosed report fulfills the requirement in Section 2 of Ordinance 16953 to provide a quarterly update, beginning in the fourth quarter of 2010, regarding the “progress on the development of and implementation plan for” a pretrial risk assessment tool. This is the sixth progress report and covers activities conducted through 1st Quarter 2012.

For the past two years, the County’s criminal justice partners have been examining the emerging national practice of using a pretrial risk assessment tool. In particular, the Adult Justice Operational Master Plan (AJOMP) Advisory Committee charged the Pretrial Risk Assessment Workgroup with reviewing this practice, assessing whether it was applicable in King County, and recommending potential next steps. In April 2010, the Workgroup completed its report within which it noted the potential benefits and limitations of a pretrial risk assessment tool and recommended proceeding with its development. Since the report was completed, the Workgroup has received support from our criminal justice partners and the Council, through Ordinance 16953, for proceeding with development of the tool.

The enclosed progress report for the 1st Quarter 2012 highlights all of the major steps accomplished and status of milestones. Through the 1st Quarter, the project has made considerable progress. Notable accomplishments include finalization of data collection software, beginning of data analysis, initiation of planning work for future implementation of the tool, and development of an agreement with the Seattle Municipal Court to participate in the project.

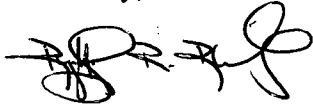
The tool development effort supports the King County Strategic Plan’s goal to “support safe communities and accessible justice systems for all,” and specifically supports the Justice and Safety objectives to “ensure fair and accessible justice systems,” and “ensure offending individuals are appropriately detained or sanctioned.”

The Honorable Larry Gossett
April 2, 2011
Page 2

Preparation of this report required approximately three hours of staff time at a cost of approximately \$200.

If you have any questions, please contact Michael Gedeon, Supervising Senior Policy Analyst, Office of Performance, Strategy, and Budget, at 206-263-9698.

Sincerely,



Dwight Dively
Director, Office of Performance, Strategy and Budget

Enclosure
4th Quarter 2011 Progress Report

cc: King County Councilmembers
 ATTN: Michael Woywod, Chief of Staff
 Mark Melroy, Senior Principal Legislative Analyst, BFM Committee
 Anne Noris, Clerk of the Council
Claudia Balducci, Director, Department of Adult and Juvenile Detention (DAJD)
Nate Caldwell, Director, Community Corrections Division, DAJD
Dwight Dively, Director, Office of Performance, Strategy, and Budget (PSB)
Krista Camenzind, Budget Supervisor, PSB
Fred Jarrett, Deputy County Executive, King County Executive Office (KCEO)
Rhonda Berry, Assistant Deputy County Executive, KCEO
Sung Yang, Director of External Affairs and Government Relations, KCEO
Frank Abe, Director of Communications, KCEO
Carrie Cihak, Strategic Initiatives Director, KCEO
Gail Stone, Law and Justice Policy Advisor, KCEO

Pretrial Risk Assessment Progress Report – 1st Quarter, 2012

The following progress report includes background information on the development of the project, describes the work conducted during this quarter, and a project schedule that summarizes work completed, next steps, and an estimated timeline.

Background

The recommendation to explore the feasibility of implementing pretrial risk assessment in King County was initially made by the Adult Justice Operational Master Plan (AJOMP) teams in 2008 in response to a proviso from the King County Council (“Use of Community Correction Division Review”). The Council accepted the proviso report in June 2008. At approximately the same time, an outside consultant working for Superior Court also recommended exploring pretrial risk assessment in King County.

In April 2009, a pretrial risk assessment workgroup was convened by the Office of Strategic Planning and Performance Measurement. The Workgroup identified several potential benefits of using a pretrial risk assessment tool, including supplying the court with a tool that assesses defendant risk based on factors that are statistically significant predictors of re-offense and failure-to-appear, providing judges with risk scores that are consistent for defendants with similar characteristics, and potentially guiding placement into Community Corrections Division (CCD) programs.

In April 2010, the Workgroup recommended proceeding with a research study to develop a pretrial risk assessment tool once funding was secured. A research consultant would be needed to conduct the study and construct a draft tool to be tested for validity. The Workgroup, in parallel, would develop a detailed implementation plan that would include timelines and costs for such items as software development and training. Upon completion of this work, stakeholders, particularly the courts, would have an opportunity to assess if the proposed tool was achieving its intended goals and if implementation was still feasible.

The Office of Performance, Strategy and Budget (PSB) identified federal funding for the project in August and included appropriation authority in the 2011 budget. The budget was adopted in November 2010, and the Department of Justice approved King County’s request to reprogram federal funds in January 2011. PSB and the workgroup selected Assessments.com (ADC) as the consultant and hired a project manager in March 2011. ADC began work in May 2011. The Workgroup approved the research methodology, data collection protocols and the final list of defendant factors to be collected for the study in August 2011. Data collection staff was trained in October, and data collection began in November, 2011.

First Quarter 2012 Activities

Several highlights of the activities in the first quarter of 2012 include:

- In January, follow-up training sessions were held with data collection staff. Staff provided further feedback on the progress of data collection and suggested minor software changes to improve the consistency of data collection and entry procedures across screeners. Based on this feedback, final changes were made to the software in mid-January. Data collection is now fully underway, with an average of 32 interviews being conducted each day.

- In February, the project's research consultant successfully matched all defendant information for the study from criminal justice system databases and the ADC manual-entry database and began analysis of study data.
- With input from King County Information Technology Services (KCIT), the workgroup began implementation planning for pretrial risk assessment to prepare for the possibility that implementation could occur shortly after the conclusion of the current project. The project manager and CCD identified goals for the implementation planning process, created a timeline for development of the implementation plan, determined immediate funding needs, and worked with other criminal justice agencies (Office of the Public Defender, the Courts, Prosecuting Attorney's Office) to assign individuals to the implementation planning team.
- On January 6th, County project representatives from the workgroup, joined by Presiding Superior Court Judge Richard McDermott, gave a presentation to the Seattle Municipal Court (SMC) Executive Judicial Committee to describe the goals of the project and encourage SMC participation. SMC agreed to participate in the project in late January, and the project manager is currently working with the Prosecuting Attorney's Office and SMC to finalize a contract.

Summary Steps and Timelines

Steps	Workgroup Estimated Timeline	Contract Timeline	Revised Timeline	Status
1. Seek Out Potential Partners, Identify Funding, and Hire Research Consultant <ul style="list-style-type: none"> Explore potential partnerships with other jurisdictions; Identify funding to cover the cost of developing the tool; Develop and issue the Request for Proposals for the research consultant to analyze potential factors for the tool and test tool. Select research consultant and hire project manager. 	Sep 2010 - Dec 2010	Sep 2010 – Apr 2011	Sep 2010 – Apr 2011	Funding identified and RFP issued. Workgroup reached out to potential partners.
2. Complete Data Collection and Research on Potential Factors for the Tool <ul style="list-style-type: none"> Finalize a potential list of factors that may be correlated to failure to appear and risk of re-offense. Consultant develops data collection and research methodology. Approach to preventing disproportionate minority confinement (DMC) contribution developed and implemented. Receive data collection software and train staff 	Jan 2011- Feb 2011	May 2011 – Jul 2011 (note: consultant work initiated on May 1, 2011)	May 2011 – Sep 2011	Research consultant contract completed. Project Manager hired. Data collection protocols, research methodology and factor list finalized. DMC approach developed. Received data collection software.
3. Build the Study Sample <ul style="list-style-type: none"> <i>Prospectively</i> collect data on each factor for a large set of defendants booked into the jail. Note that significant portions of the data collection may largely be a manual process. 	Feb 2011 – Aug 2011	Jul 2011 – Mar 2012	Oct 2011 – Jun 2012	Staff training complete. Data collection began on November 21, 2011. Research consultant began analysis in February, 2012.
4. Collect Outcome Data and Analyze Results	Aug 2011 – Feb 2012	Apr 2012 – Mar 2013	Jul 2012 – Jun 2013	

<ul style="list-style-type: none"> • Collect pretrial outcomes (Failure to Appear and Re-offense) and demographic data (gender, race/ethnicity, and age) for each defendant in the study. Portions of this data collection may also be a manual process. • Complete statistical analysis measuring the correlation of each factor to failure to appear and re-offense and examining these results across demographic categories. 				
<p>5. Develop Implementation Plan</p> <p>Implementing a pretrial risk assessment tool may have implications for staffing, court process, budget, and technology systems. Until the outdated technology systems are replaced, it will be important to gain an understanding of the net impact of administering a tool on the intake services and court personnel and develop cost-effective interim technology solutions. A team of criminal justice partners would develop an implementation plan covering the following:</p> <ul style="list-style-type: none"> • Determine the target populations to receive the tool. • Define the staffing requirements for intake services. • Outline policies and procedures for each organization and develop training curricula. • Recommend changes in forms and paper flow. • Develop quality assurance mechanisms so that there is feedback to staff if the tool is not completed correctly. • Examine web-based and other technology for implementing tool. • Estimate the start up costs and ongoing budget. 	<p>May 2011 - Dec 2011</p>	<p>Apr 2012 – Dec 2012</p>	<p>Jul 2012 – Jul 2013</p>	<p>Preliminary work to prepare for implementation planning kick-off began in February, 2012.</p>

<p>6. Construct and Test Pretrial Risk Assessment Tool</p> <p>With the research completed on the potential factors, a draft pretrial risk assessment tool can be constructed and tested.</p> <ul style="list-style-type: none"> • Select factors for tool based on research and public safety priorities. Assign weights to create a draft tool. • Test the draft tool against research database to measure its potential impact on failure to appear, re-offense, jail and CCD utilization, and disproportionality. Adjust factors and weights to create the most effective tool. 	Feb 2012-Apr 2012	Apr 2013	Jul 2013 - Aug 2013	
<p>7. Make Decision Whether to Proceed with Implementation</p> <ul style="list-style-type: none"> • Summarize the proposed tool, expected benefits, and implementation costs/logistics with criminal justice partners. Make recommendation whether to proceed. • Submit tool and implementation plan to court for review and approval. 	Apr 2012-May 2012	Apr 2013 – May 2013	Aug 2013 -Sep 2013	
<p>8. Implement Pretrial Risk Assessment Tool</p> <p>A team of criminal justice partners would be responsible for monitoring implementation progress and troubleshoot issues when they arise. In particular, this team should periodically monitor the potential impact of the tool on the jail population and key outcomes. Implementation tasks include:</p> <ul style="list-style-type: none"> • Purchasing, implementing, and testing any necessary technology solutions. • Training all affected personnel. • Establishing quality assurance mechanisms. 	May 2012-Aug 2012	May 2013 – Aug 2013	Sep 2013 – Dec 2013	

9. Re-Evaluate the Tool Every 2 to 3 Years. A pretrial risk assessment tool is developed at a point in time and should be periodically evaluated and updated to ensure its relevance and maintain its effectiveness.	2014	2015	2015	
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Requirements of Ordinance 16953

Ordinance 16953 requires the following:

- Section 1. a request that the Superior and District Courts consider approval of screening criteria for participation by pretrial defendants in alternative programs and notify the Council of the status of criteria development by March 1, 2011;
- Section 2. that the pretrial risk assessment workgroup proceed with development of a tool and to report quarterly on the progress toward development and implementation;
- Section 3. that upon approval and use of a validated tool to forward a motion that describes implementation of the tool within six months;
- Section 4. that the budget office, in consultation with DAJD and the courts, report on participants in alternative programs for 2009 and the first half of 2010; and
- Section 5. that a supplement to the detention and alternatives report is reported that includes information on pretrial adults participating in alternative programs.

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Information Currently Used by the Superior Court at Arraignment

Pending trial, judges have the option to release a defendant on personal recognizance, to allow the defendant to post bail or an appearance bond, to order the defendant to an alternative program, or a combination of conditions. The Court currently uses information compiled from a number of sources to aid in judicial decisions as to whether a pretrial defendant will be required by the Court to participate in one of three Community Corrections Division alternatives to secure detention programs.

The DAJD Intake Services Unit (ISU) also conducts an interview after booking that includes the following information: any previous arrests and/or convictions, warrant history, as well as verification of whether the defendant has a stable work history, stable housing, employment, or other ties to the community. ISU implements administrative court orders which release individuals on personal recognizance pending disposition of their charges.

Court Rules (CrR) are established by the Washington Supreme Court and are binding upon lower courts. CrR 3.2 has been reported by the Superior Court to be essential for guiding decisions. The rule includes a presumption of innocence, directs that the court shall presume release on personal recognizance unless that release will not reasonably assure the defendant's appearance in court or there is a likely danger to public safety.

The Court also considers facts set forth in CrR 3.3(c) and any other factors considered relevant by the judge such as charging documents provided by the Deputy Prosecuting Attorney and interviews conducted by the Department of Adult and Juvenile Detention.

The Court uses the following information to inform its release decision:

1. Details of the charge and the PAO understanding of past history and basis for a bail request;
2. Certification for Determination of Probable Cause which is a sworn statement by the arresting officer;
3. PAO Appendix B that lists a defendant's criminal convictions at all levels of court, based upon county, state, and a nation-wide databases;
4. Court Services Interview Sheet that is compiled from King County records and data. If the defendant agrees to an interview, the records include self-reported information about residential, marital and family status, employment, education, substance abuse, mental health information, special needs, and contact information for references. The court services sheet will also show the court when staff have been able verify data provided by the defendant;
5. Judicial information from the Washington Judicial Information system, showing previous records and compliance;
6. Representations by deputy prosecuting attorney, victim's advocates, defense counsel, and others.